ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2021

Created by: Jennipher Castellanos

IRON·HORSE
NORTH RICHLAND HILLS

About the Cover

Iron Horse Golf Course celebrated their grand reopening the weekend of Sept. 18, 2020, following a 10-month renovation project. The project included extensive drainage improvements, widening of the playing corridors throughout the course, new irrigation on 12 of the 18 holes, updating the 13th and 14th holes, new better Billy Bunkers throughout, a new set for forward tees that play at 4,300 yards, and updates to the clubhouse and pro shop. The course logo and signage were also updated.

Located in a picturesque setting among the rolling terrain of North Richland Hills, Iron Horse Golf Course was originally designed by Dick Phelps and opened in 1988. The improvements were designed by noted golf course architect Jeffrey Brauer. While owned by the city, the golf course is not funded by tax dollars. It operates like a business, with revenues from the course paying for its operational expenses and debt service. The course hosts more than 50,000 rounds a year.

Designed by: Budget & Research Department
Picture provided by: Communications Department
City of North Richland Hills, Texas

CITY OF NORTH RICHLAND HILLS, TEXAS

Annual Comprehensive Financial Report
For the Year Ended September 30, 2021

City Officials

Oscar Trevino
Mayor

Tito Rodriguez
Place 1

Rita Wright Oujesky
Associate Mayor Pro Tem
Place 2

Suzy Compton
Deputy Mayor Pro Tem
Place 3

Mason Orr
Mayor Pro Tem
Place 4

Patrick Faram
Place 5

Scott Turnage
Place 6

Kelvin Deupree
Place 7

Mark Hindman
City Manager

Paulette Hartman
Deputy City Manager

Karen Manila
Assistant City Manager

Jimmy Perdue
Director of Public Safety

Mark Mills
Director of Finance

Prepared by: Finance Department

NORTH RICHLAND HILLS
City of Choice

ACKNOWLEDGEMENTS

The Annual Comprehensive Financial Report was prepared by the Department of Finance, Office of Accounting:

Karen Manila
Assistant City Manager

Mark Mills, CGFO
Director of Finance

Financial Reporting Staff
Glenn Mizell, CMA, PMP, CGFO, Assistant Director
Amanda Brown, Accountant II
Andrew MacNeal, CGFO, Accountant II
Amanda Townsend, Grants Specialist
Donna Carman, Accounting Technician
Rachel Clements, Accounting Technician
Lisa Ramirez, Accounting Technician

Special appreciation is given to:

Budget & Research Department
Jennipher Castellanos, CGFO, Senior Budget Analyst
Stacy Peng, Budget Intern II

Human Resources Department
Patrick Hillis, Director
Cameron Rowland, Assistant Director
Ellen Cooper, Human Resource Analyst
Nancy Holcomb, Payroll Specialist
Jody Anderson, Benefits Coordinator
Sabrina Markum, Human Resources Generalist

And to all the departments and personnel throughout the City whose extra effort to contribute timely financial data for their departments made this report possible.

CITY OF NORTH RICHLAND HILLS, TEXAS

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CITY OF NORTH RICHLAND HILLS, TEXAS

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Introductory Section

NRH

NORTH RICHLAND HILLS
NRH
THE CITY OF CHOICE

Department of Finance

May 9, 2022

To the Honorable Mayor, City Council Members, City Manager,
and Residents of the City of North Richland Hills, Texas:

We hereby issue the Annual Comprehensive Financial Report of the City of North Richland Hills, Texas (the "City") for the fiscal year ended September 30, 2021.

This report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the CPA firm of Whitley Penn, LLP, the City's independent auditors. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. For fiscal year 2021, only a Single Audit report for the State of Texas is required. This report is available in the City's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of North Richland Hills

The City, incorporated in 1953, is a growing community located in the heart of the Dallas/Fort Worth Metroplex. The City's estimated population is 70,380 for 2021. The City is also home to over 1,200 commercial and industrial businesses. The fourth largest city in Tarrant County, North Richland Hills ("NRH") is only 10 minutes from downtown Fort Worth and 25 minutes from downtown Dallas. Interstate Loop 820 and Texas 121/183 ("Airport Freeway") traverse the City, providing freeway access to five additional interstates and numerous US and state highways. The City is also conveniently located 10 minutes from Dallas/Fort Worth International Airport and 15 minutes from Alliance Airport. D/FW International Airport has over 1,900 flights daily with non-stop service to all major North American cities and many overseas destinations. The Alliance development facilitates the transport of merchandise through both the Alliance airport and the Burlington Northern/Santa Fe Intermodal Facility.

The City operates under a charter adopted in 1964 which provides for a Council-Manager form of government. The Mayor and seven Council members are elected at large. The City Council is responsible for all matters of policy as well as for levying taxes, securing revenues, authorizing expenditures of City funds, and incurring City debts. The City Manager is directly responsible to the City Council. An organizational chart follows to show the various levels of responsibility.

The City provides a full range of services. These services include police and fire protection; municipal court operations; the construction and maintenance of streets and infrastructure; parks, library, and recreational activities including tennis center operations; neighborhood services activities; planning and inspections; and the operations of a water and wastewater system, a golf course, and a public waterpark. A private contractor, through a franchise agreement, provides solid waste collection and disposal services for the City.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or good are received and the liabilities are incurred. Account records for the City's water and sewer utility and other proprietary activities are measured on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations, and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, (2) the evaluation of costs and benefits requires estimates and judgments by management, and (3) the preciseness of estimates must be balanced with the timeliness of financial reporting. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City's financial planning and control. The City maintains budgetary controls to ensure compliance with provisions in the annual budget adopted by the City Council. Annual operating budgets are adopted for the General Fund, certain Special Revenue Funds, Debt Service Funds, Enterprise Funds, and Internal Service Funds. Project-length financial plans are adopted for the Capital Project Funds. The level of budgetary control – the level at which expenditures/expenses cannot legally exceed the appropriated amount – is established at the fund level. Detail control is accomplished by maintaining appropriations, encumbrances, and expended balances by line item within each operating department, within each operating fund. All annual appropriations lapse at the end of the fiscal year. Budgetary data for proprietary funds is presented in the Other Supplemental Information section only since reporting on such budgets is not legally required.

Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of an ordinance. The appropriated budget is prepared by fund, department, and division. The City Manager is authorized to transfer budgeted amounts between departments within any fund. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Transfers of appropriations between funds are allowed by budget ordinance as passed by the City Council. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, comparisons begin on page 90 in the required supplementary information segment of the financial statements. The comparisons for other governmental funds with appropriated annual budgets are presented in the other supplementary information of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

The City continues to grow as all major economic indicators are trending in the right direction and it remains geographically positioned as the main link between bustling downtown Fort Worth and affluent Northeast Tarrant County. Adjacent to the high socioeconomic level cities of Colleyville, Keller and Southlake; the City remains the fourth largest City in Northeast Tarrant County with approximately 70,380 people, and is likely to reach 80,000 residents by 2030. Since 2012, the City has grown by 10.9% in total population, adding over 6,900 residents.

This past year resulted in continued growth from taxable sales, taxable property values and new home starts. Compared to the previous fiscal year, FY2021 taxable sales grew by 8%, a $96 million increase. This figure is expected to increase in fiscal year 2022 due to price increases from taxable products due to inflation, and from additional business open along the Northeast Loop 820 commercial corridor and the far north sector of the City. Taxable property value grew for the 8th straight year, this time over $604 million, reaching approximately $6.695 billion in net taxable value. Finally, the City continues to facilitate residential growth, permitting another 290 new single-family homes with an average value over $450,000 while approving 410 more lots, keeping the single-family construction pipeline. The City's residential growth "by new home start" continues to be the most amongst Northeast Tarrant County cities.

The City maintains a diverse mix of 1,200 brick and mortar businesses with 14 primary employers representing 5,000 full time jobs within the healthcare, finance, aerospace and supply chain sectors. The City welcomed 57 office-based businesses adding 500 professional jobs across 175,000 square feet of office space. This positive trend was led by the corporate relocations of Calloway's Nursery and Give-Me-The-Vin.com LLC and their 158 jobs. Since the pandemic onset, suburban demand for office space has shifted away from high-density downtowns, resulting in a reduction of the City's office vacancy rate by 2%, ending the year at 10.5%.

The City continues to experience quality development and revitalization thanks to its strategic location, attractive standards and the ability to reinvent itself. One example is the 52 acres surrounding City Hall, called City Point. A former mall, the $185 million mixed-use redevelopment project includes 70,000 square feet of commercial space, roughly 370 single-family homes and approximately 450 multi-family residences. By mid-2022, model homes are scheduled to appear alongside new spec homes from developers, Ashton Woods, Mattamy Homes and CB Jeni. Commercial development along City Point Drive is in the design phase, with construction to start late 2022, early 2023. Expected to be complete by 2026-27, the City Point project will welcome 2,000+ additional residents when complete.

A second example can be found at the Smithfield TOD (transit-oriented development) District where two projects are planned at the northwest corner of Davis Boulevard and Mid Cities Boulevard, representing an estimated $100 million in project value and 750 additional residents. The projects are adjacent to the Smithfield TEXRail commuter rail station and will include 30,000 square feet of commercial space and 500 high-end multi-family units.

Long-term financial planning

In November 2020, North Richland Hills voters approved a $49,875,000 bond package for the reconstruction of 27 streets. The 2020 Capital Program Advisory Committee, consisting of 35 residents from across the City, recommended the projects based on several factors that included: existing pavement conditions, traffic volumes, maintenance records, input from citizen surveys, and estimated project costs.

At least annually, management reviews and updates long-range financial plans for the general operations of the City as well as the proprietary activities. Forecasts are prepared using conservative growth estimates for major sources of revenue. Maintaining this conservative approach, coupled with an aggressive debt repayment policy, has assisted the City in retaining a continuous favorable bond rating. Analysis is continuously updated to reflect new bond issues and the repayment thereof, as well as updates to estimates based on new developments, historical trends, changes in applicable legal requirements, and City Council and management priorities.

The plans for the internal service funds include the accumulation of resources for meeting both current and future needs. For example, support services such as facilities, fleet, and information technology collect user fees to meet current maintenance needs as well as to meet future capital replacement needs.

Similarly, the City's policy with regard to self-insurance premiums has been to collect sufficient amounts to cover current health and dental claims as well as additions to reserves for future claims. In fiscal years 2002 and 2003 the Self Insurance (Internal Service) Fund reserves of $3.1 million were depleted due primarily to spiraling inflation in the health care industry and unforeseeable extraordinary health claims. In fiscal year 2004, City Council adopted a strategy to rebuild reserves over a six-year period beginning in fiscal year 2005. Savings from changes in the health care plan, transfers from existing cash reserves in the General Fund and Water and Sewer Fund, and employee premiums were used and continue to re-establish the reserves. In both 2016 and 2017, the City once again experienced significant inflationary costs and extraordinary health claims, which necessitated the use of a portion of the rebuilt reserves. Management instituted procedures to address the rising costs in both active employee and retiree health care costs. These procedures have begun to take effect and the reserves are expected to continue to improve in 2022.

Similar plans for the build-up of reserves exist for the City's enterprise operations. Funds are set aside to meet future capital replacement needs such as infrastructure replacement and capital asset acquisitions. This approach has allowed the City's water and sewer operation to meet the majority of its capital replacement needs with the issuance of minimal debt. Over the course of its history, NRH_2O, the City's waterpark, has funded some new attractions and infrastructure improvements by utilizing cash reserves accumulated from operations. Annual analysis by City management of capital needs could result in the need for debt funding of future attractions and infrastructure improvements if deemed necessary.

Cash management policies and practices

With the City's current bank depository contract with JP Morgan Chase Bank, N.A. scheduled to expire on September 30, 2019, the City initiated a solicitation process in early 2019 to secure another depository contract agreement. The selection process awarded the new contract to the incumbent, JP Morgan Chase Bank, N. A. for another three years with an option to extend for an additional two years. Cash temporarily idle during the year was invested in two public funds investment pools, agency and corporate securities, municipal securities (within Texas), and U.S. Treasury Notes.

The maturities of the investments range from overnight to three years. The average yield for overnight investments for fiscal year 2021 was 0.022%, and the weighted average maturity ("WAM") was 34 days. The portfolio's WAM for all other investments at the end of the fiscal year was 660 days, which represents a slight increase over last year's WAM of 657 days.

At fiscal year-end approximately 31% of the portfolio was invested beyond one year, 4% was invested for one year or less, and the remaining 64% was invested in the overnight market. The City continued to use the services of PFM Asset Management, LLC as an investment advisor and overseer of the portfolio up through the end of the fiscal year 2021.

Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. While the City has historically retained a portion of these risks, coverage exists for: general, employment practice, law enforcement, and errors and omissions liability; excess workers' compensation; property damage; commercial crime coverage; and employee life insurance. The Self-Insurance Fund is responsible for workers' compensation, health, automobile liability, and general liability insurance. The City maintains a stop loss third party insurance policy with respect to health claims. This policy covers City medical claims in excess of $175,000 per individual per year, and/or $9,754,236 in the aggregate for a 12-month period beginning on January 1, 2020. Self-Insurance Fund claims are funded by charges to other funds and employee, retiree, and dependent premiums. Additional information on the City's risk management activity can be found in the notes to the basic financial statements.

Pension and other post-employment benefits

The City participates in the Texas Municipal Retirement System ("TMRS"), an agency authorized by the State of Texas. Full-time City employees contribute a fixed percentage of their gross pay (currently 7%). TMRS participants are immediately vested in the funds they contribute plus allocated interest. Participants are vested in employer contributions after five years of credited participation. If participants withdraw from TMRS prior to five years of credited participation, they may withdraw from TMRS those funds they contributed plus interest earnings. The City has historically provided postretirement health and dental care benefits for certain retirees and their dependents. As of the current fiscal year, there were 191 retired employees receiving these benefits. Additional information on the City's pension arrangements and post-employment benefits can be found in the notes to the basic financial statements.

City's Response to the COVID-19 Pandemic

The City received $3,738,900 in CARES Act funding from the Federal Government through Tarrant County in 2020. The City received the first tranche of the American Rescue Plan Act (ARPA) funding during the fiscal year in the amount of $4,766,603 with the second and final tranche of similar amount expected in Summer of 2022. City management implemented a needs-based priority project list to utilize the ARPA funding. ARPA funds must be fully spent or encumbered by December 2024.

Awards

Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to North Richland Hills for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. This was the thirty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. It is believed the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to GFOA to determine its eligibility for another certificate.

The City also received the Distinguished Budget Presentation award for its 2021 budget document. This was the 30th consecutive year the City has received this award.

Acknowledgments

Timely preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service of the Finance Department, our independent auditors, and other City staff. We would like to express sincere appreciation to those who contributed to the process.

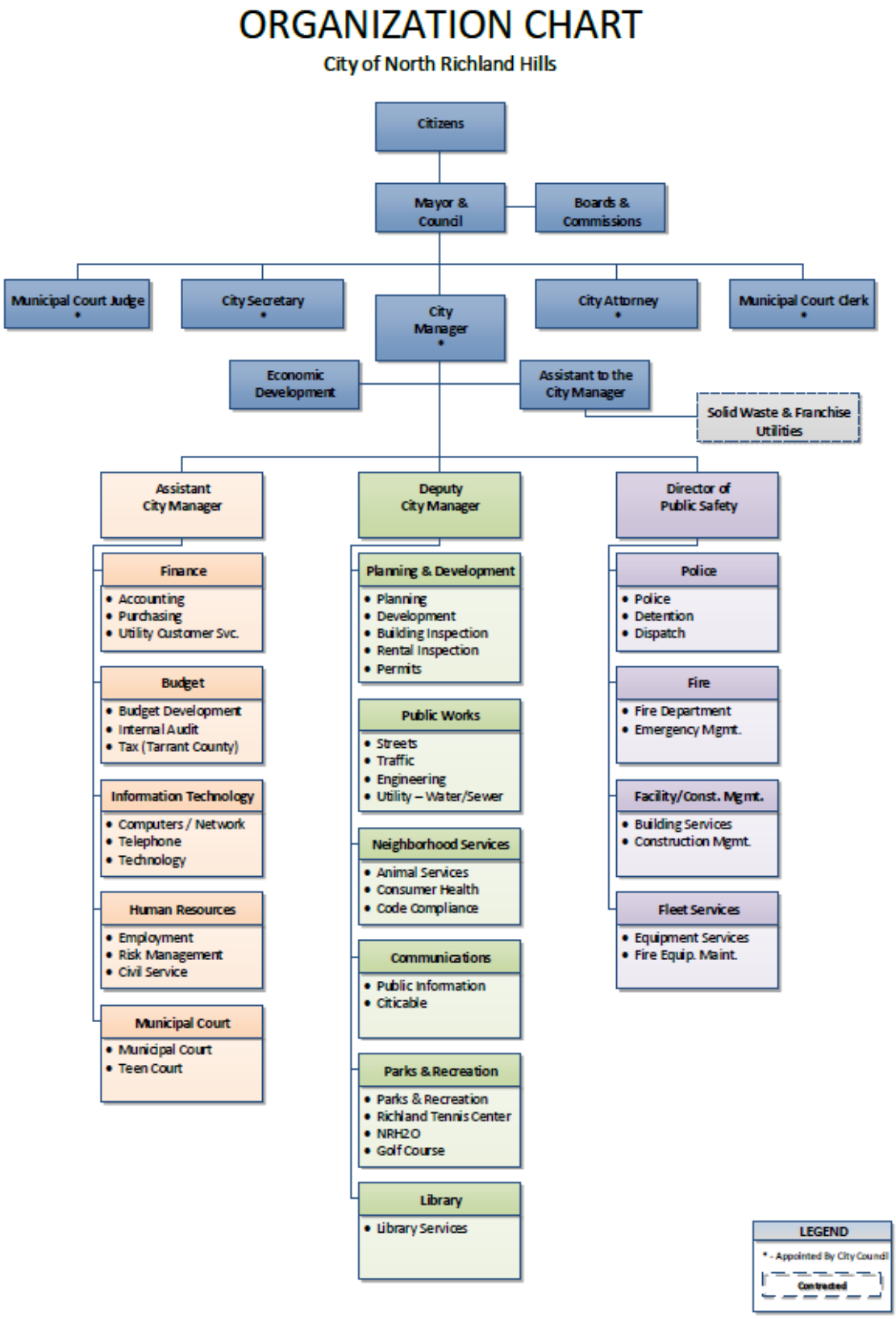
In closing, the continued leadership and support of the Mayor, City Council, and City Manager in planning and conducting the financial operation of the City is sincerely appreciated.

Respectfully submitted,

Mark C. Mills
Director of Finance

CITY OF NORTH RICHLAND HILLS, TEXAS

ORGANIZATIONAL CHART AS OF SEPTEMBER 30, 2021



CITY OF NORTH RICHLAND HILLS, TEXAS
PRINCIPAL OFFICIALS
September 30, 2021

CITY COUNCIL

MAYOR.....OSCAR TREVINO

COUNCIL MEMBER, PLACE 1.....TITO RODRIGUEZ

COUNCIL MEMBER, PLACE 2, ASSOCIATE MAYOR PRO TEM.....RITA WRIGHT OUJESKY

COUNCIL MEMBER, PLACE 3, DEPUTY MAYOR PRO TEM.....SUZY COMPTON

COUNCIL MEMBER, PLACE 4, MAYOR PRO TEM ..... MASON ORR

COUNCIL MEMBER, PLACE 5 ..... PATRICK FARAM

COUNCIL MEMBER, PLACE 6 .....SCOTT TURNAGE

COUNCIL MEMBER, PLACE 7.....KELVIN DEUPREE

CITY STAFF

City Manager ..... Mark Hindman
Deputy City Manager ..... Paulette Hartman
Assistant City Manager .....Karen Manila
Director of Public Safety ..... Jimmy Perdue
City Secretary / Chief Governance Officer .....Alicia Richardson
City Attorney..... Maleshia McGinnis
Director of Finance ..... Mark Mills
Director of Budget and Research .....Vacant
Director of Human Resources ..... Patrick Hillis
Director of Economic Development ..... Craig Hulse
Director of Planning..... Clayton Comstock
Chief Building Official..... Dave Pendley
Public Information Officer ..... Mary Peters
Director of Information Technology ..... Eric Von Schimmelmann
Municipal Court Administrator .....Rebecca Vinson
Director of Neighborhood Services..... Stefanie Martinez
Library Director ..... Cecilia Hurt Barham
Fire Chief..... Stan Tinney
Director of Public Works..... Caroline Waggoner
Director of Facilities & Construction ..... Chris Amarante

The Government Finance Officers Association of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department

City of North Richland Hills, Texas

The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morrill

Date: 1/4/2022

NRH

Financial Section

NRH

whitleypenn

Fort Worth Office
640 Taylor Street
Suite 2200
Fort Worth, Texas 76102
817.259.9100 Main

whitleypenn.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of North Richland Hills, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Richland Hills, Texas (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information, other post-employment benefit information, and certain budget to actual schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, budget to actual schedules, statistical section, and glossary are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and budget to actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, statistical section, and glossary have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance and has been issued under separate cover.

Whitley Penn LLP

Fort Worth, Texas
May 9, 2022

The City of North Richland Hills, Texas (the "City") Management's Discussion and Analysis ("MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, and should be read in conjunction with the City's financial statements (beginning on page 15).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2021 by over $367.0 million (net position).
- The City's total net position increased by $20.8 million in fiscal year 2021 from the beginning net position of $346.3 million. Additional details of this change may be found beginning on page 30 (Statement of Activities).
- As of September 30, 2021, the City's governmental funds reported combined fund balances of $106,458,810, which represents an increase of $18.3 million in comparison to the prior fiscal year's ending balance.
- Approximately 20.7% of total governmental fund balance, or $21,992,606, is available for appropriation at the City's discretion (assigned and unassigned fund balance).
- The City's objective regarding fund balance for the General Fund is to maintain a minimum unassigned fund balance to operate the City for a period of 60 days or 15% of the following year's appropriated budgeted expenditures. This objective was met at year end.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $17,418,348 or 33.1% of General Fund actual expenditures, including transfers out, for 2021. This unassigned balance represents 32.5% of the fiscal year 2022 adopted budget.
- The City's total debt increased by approximately $5.9 million during the fiscal year 2021. This is due to scheduled principal payments of $12.8 million, issuance of $19.2 million in bonds and COs, and the refunding of $0.3 million in bonds.

Overview of the Financial Statements

MD&A is intended to introduce the reader to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other required supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All of the current year's revenues and expenses are recognized regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, unused vacation leave). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

In the Statement of Net Position and the Statement of Activities, the City's operations are separated into two types of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including the activities of public safety, culture and recreation, public works, and general government. Property taxes, sales taxes, and franchise fees finance most of these activities.

- *Business-type activities* – For this type of activity, the City charges a fee to customers to cover all or most of the cost of services provided including the recovery of costs of capital assets used in the delivery of such services. The City's water and sewer, golf course, and aquatic park activities are reported here.

The government-wide financial statements can be found starting on page 29 of the annual comprehensive financial report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law, bond covenants, or Council ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds* - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances available for appropriation at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Statements of governmental funds provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available for appropriation in the near future to finance City programs. By comparing information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City maintains seven major individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds. The General Fund, General Capital Projects Fund, General Debt Service Fund, Parks and Recreation Development Fund, Tax Increment Finance District No. 2 Capital Projects Fund, Tax Increment Finance District No. 2 Debt Service Fund, and the Grants Fund are the major governmental funds of the City. Data from the other non-major governmental funds are combined into a single, aggregated presentation in the governmental statements. Financial statements for the governmental funds can be found starting on page 32 of this report.

- *Proprietary funds* - The objective of proprietary funds is to charge customers, both internal and external, for services provided in an amount sufficient to cover virtually all costs including the replacement of assets used in the delivery of such services. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are almost identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as the statement of cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's facilities maintenance and construction services, fleet management, employee and property insurance coverage, and telephone and computer services. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

  The City maintains three enterprise funds, which it uses to account for the provision of water and wastewater services, golf course operations, and water park activities. The Utility Fund, Aquatic Park, and the Golf Course are all considered major funds. Financial statements for the enterprise funds can be found starting on page 40 of the report.

Notes to the financial statements - The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 47 of this report.

Government-Wide Financial Analysis

The government-wide financial analysis highlights the information contained in the Statement of Net Position and Statement of Activities. The City's combined net position was $367,030,648 as of September 30, 2021. Analyzing the net position of governmental and business-type activities separately, governmental activities total net position was $273,562,322 and business-type activities total net position was $93,468,326. This analysis focuses on the net position and changes in program and general revenues and significant expenses of the City's governmental and business-type activities.

Statement of Net Position – The largest portion of the City's net position (81.3%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, capital assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these obligations. The following table presents the condensed government-wide statement of net position as of September 30, 2021 and 2020. Current and other assets include restricted deposit and investment balances.

Schedule of Assets, Liabilities, and Net Position
Amounts shown in thousands ($000's)
As of September 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 134,086	$ 107,707	$ 45,026	$ 38,691	$ 179,112	$ 146,398
Capital assets, net	327,568	332,495	85,700	90,070	413,268	422,565
Total Assets	461,654	440,202	130,726	128,761	592,380	568,963
Total deferred outflows of resources	8,563	7,294	1,015	752	9,578	8,046
Long-term liabilities	176,779	157,744	31,280	30,876	208,059	188,620
Other liabilities	5,477	17,775	5,343	7,521	10,820	25,296
Total liabilities	182,256	175,519	36,623	38,397	218,879	213,916
Total deferred inflows of resources	14,399	16,123	1,650	1,593	16,049	17,716
Net Position:						
Net investments in capital assets	233,116	230,108	65,154	71,095	298,270	301,203
Restricted	26,928	23,229	4,204	6,189	31,132	29,418
Unrestricted	13,518	2,517	24,110	12,239	37,628	14,756
Total net position	$ 273,562	$ 255,854	$ 93,468	$ 89,523	$ 367,030	$ 345,377

Statement of Activities - Governmental activities increased the City's net position by $17.7 million in fiscal year 2021, and business-type activities increased net position by $3.1 million, plus a prior period adjustment of $0.9 million. The following table presents the condensed government-wide statement of activities for the years ended September 30, 2021 and 2020.

Changes in Net Position
Amounts shown in thousands ($000's)
Years Ended September 30, 2021 and 2020

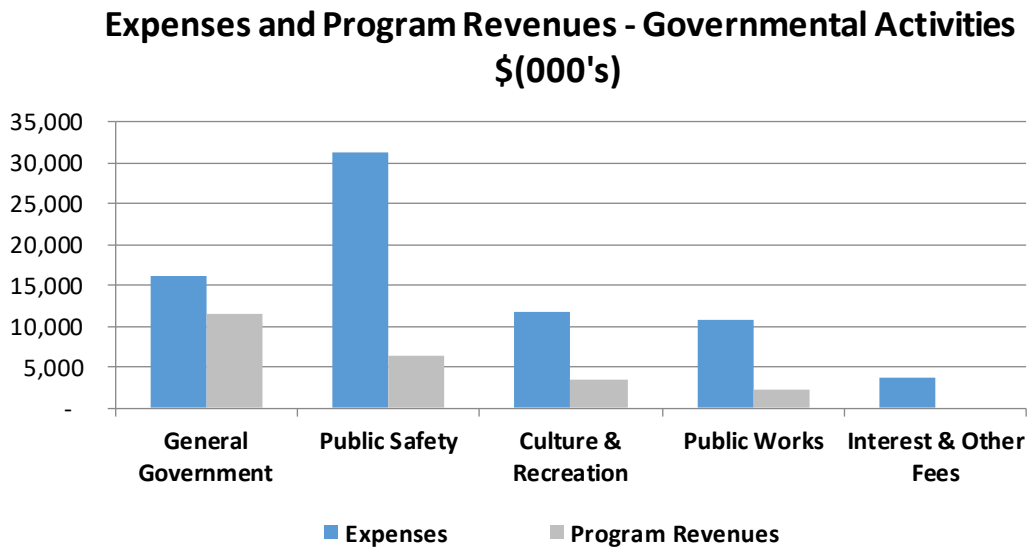
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 14,027	$ 11,294	$ 46,853	$ 40,255	$ 60,880	$ 51,549
Operating grants and contributions	9,532	9,706	-	-	9,532	9,706
Capital grants and contributions	244	553	-	-	244	553
General revenues:						
Property tax	36,030	34,619	-	-	36,030	34,619
Sales tax	23,960	22,014	-	-	23,960	22,014
Mixed beverage	129	125	-	-	129	125
Franchise taxes	3,558	3,818	-	-	3,558	3,818
Occupancy taxes	314	254	-	-	314	254
Unrestricted investment earnings	110	2,032	3	523	113	2,555
Miscellaneous	984	2,380	42	1,426	1,026	3,806
Total revenue	88,888	86,795	46,898	42,204	135,786	128,999
Expenses:						
General government	16,218	18,403	-	-	16,218	18,403
Public safety	31,352	30,185	-	-	31,352	30,185
Culture and recreation	11,745	12,151	-	-	11,745	12,151
Public works	10,915	7,988	-	-	10,915	7,988
Interest and other fees	3,681	4,873	-	-	3,681	4,873
Utility	-	-	34,126	35,405	34,126	35,405
Aquatic park	-	-	4,155	3,216	4,155	3,216
Golf course	-	-	2,812	2,136	2,812	2,136
Total expenses	73,911	73,600	41,093	40,757	115,004	114,357
Increase (decrease) in net position before transfers	14,977	13,195	5,805	1,447	20,782	14,642
Transfers between governmental and business-type activities	2,734	(685)	(2,734)	685	-	-
Net Increase (decrease) in net position	17,711	12,510	3,071	2,132	20,782	14,642
Net position - beginning of year	255,854	243,344	89,523	87,391	345,377	330,735
Prior period adjustment	-	-	875	-	875	-
Net position - end of year	$ 273,565	$ 255,854	$ 93,469	$ 89,523	$ 367,034	$ 345,377

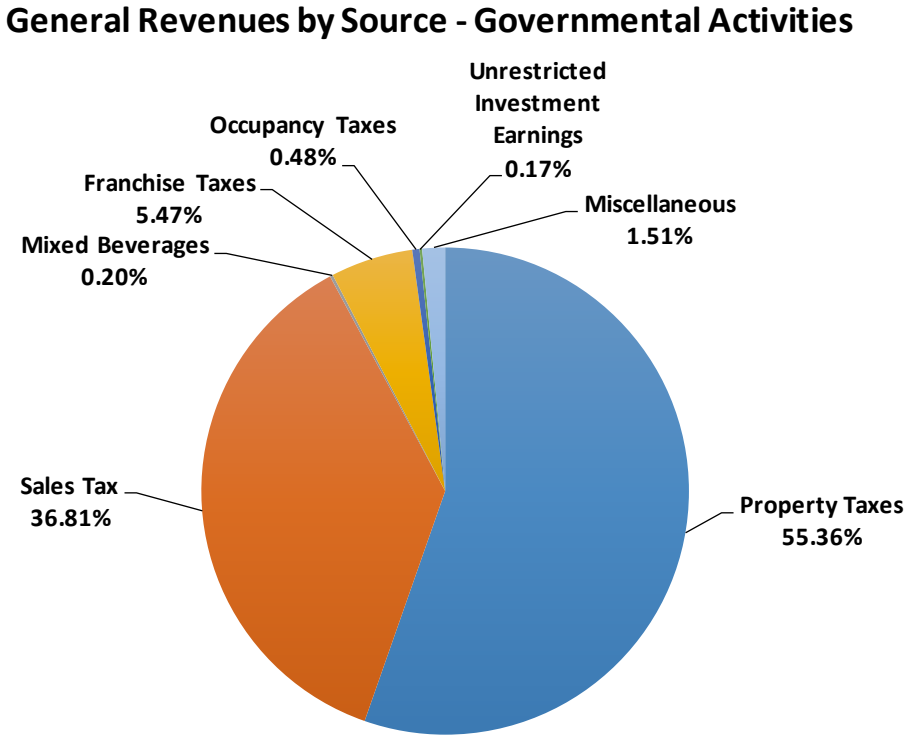
Governmental activities - In comparison to fiscal year 2020, overall assets for Governmental Activities increased $21.5 million or 4.9% in 2021. Capital assets, net of depreciation, decreased $4.9 million or 1.5% in 2021. This activity was related to capital improvement projects, specifically improvements to streets, roadways, and equipment replacements as well as improvements to Linda Spurlock Park and the Fossil Creek Park Mountain Bike Trail construction. Overall, progress on capital acquisitions were slowed due to the continuing pandemic as well as equipment/supply delays. Outstanding debt liabilities increased by $6.9 million or 6.2% in 2021. This increase was due to the issuance of the 2021 General Obligation Bonds, part of the new GO streets program approved in November 2020 and the annual payments on outstanding debt obligations.

Governmental activities increased the City's net position by approximately $17.7 million in fiscal year 2021. The City had an increase in tax revenues of $3.2 million during 2021. Property taxes increased $1.4 million, sales tax increased by $1.9 million, and franchise taxes decreased by $0.3 million. The property tax rate was increased slightly from $0.5720 to $0.5757, to meet the budget requirements of the City. In fiscal year 2021 the City experienced significant growth in its taxable base of 9.4%. This increase was the result of changes in existing values as well as additional values from new construction. Of the new construction value increase, residential new construction accounted for roughly 80%, while commercial represented roughly 20%. Sales taxes increased 8.8% as a result of gains in online sales due in large part to the pandemic, which were bolstered by changes brought about by the Supreme Court's Wayfair decision.

Charges for services increased approximately $2.7 million or 24.2% in fiscal year 2021. The primary driver for the increase is Parks and Recreation which saw operations recovering from the restrictions associated with the pandemic. Other increases were associated with development and construction activity in the City. Operating Grants and Contributions decreased approximately $0.2 million or 1.8% in fiscal year 2021. This decrease was expected due to the staffing turnover in the Public Safety departments. Capital Grants and Contributions decreased approximately $0.3 million or 55.9% in fiscal year 2021. Significant projects included the North Texas Anti-Gang Center and other Public Safety program activities.

Governmental activities saw a total increase in expenses totaling approximately $0.3 million or approximately 0.4% above 2020 levels. This increase is attributable to needs addressed in public safety and public works. Debt service interest and other fees decreased by approximately 24.5%. Refer to the fund level financial analysis section for further details.

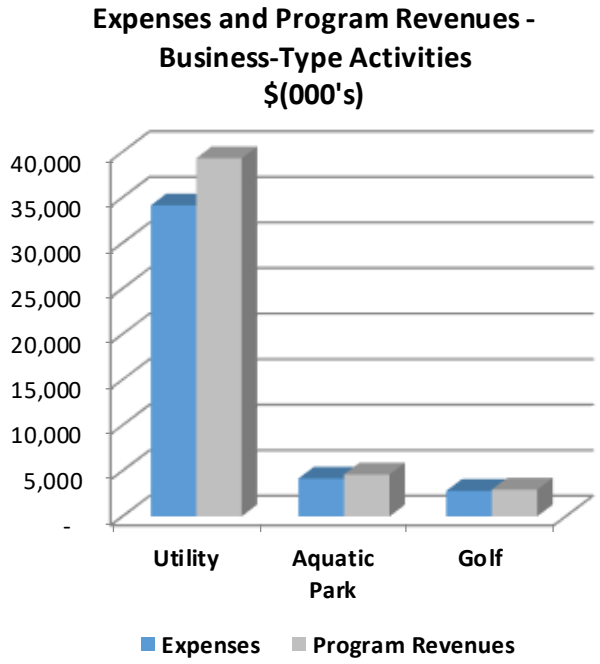


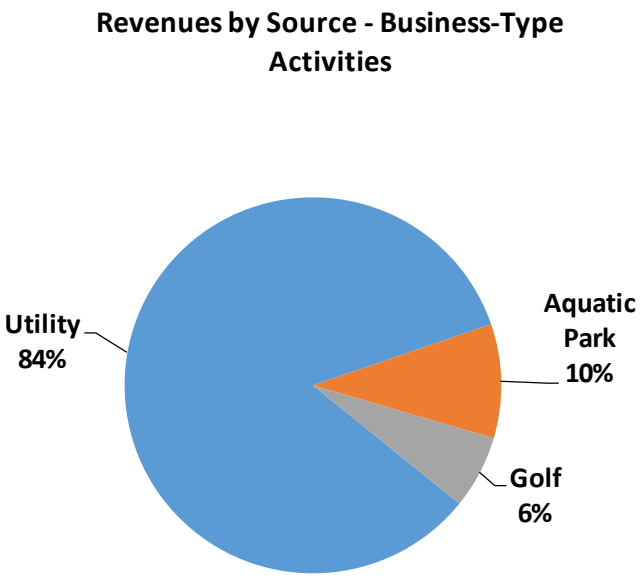


Business-type activities – Business-type activities resulted in an increase to the City's total net position of $3.1 million in 2021. Total net revenue for Business-type activities was approximately $5.76 million with the Utility fund operations generating $5.18 million of that total. Aquatic park generated $0.44 million in net revenue and Golf Course generated $0.14 million. Transfers to other funds reduced the net revenue by $2.69 million.

Aquatic Park and Golf course operations are funded by consumers who patronize each facility. Due to the operational restrictions resulting from the COVID-19 pandemic, the Aquatic Park was open for 13 days during FY 2020 but returned to full seasonal operations in FY 2021 with near record attendance as well as an increase in per capita spending. The Golf Course was not affected to the same extent by the pandemic as it was already on reduce operations due to a capital project to reconstruct the golf course as well as refurbish the clubhouse in FY 2020. It reopened to full operations in October 2020 and had very strong results with increasing play during the fiscal year.

The Utility Fund generally experienced higher sales in the summer heat which increased revenues. However, increases in the wholesale provider costs for water and sewer services continue to put pressure on the fund. On the whole, the weather demonstrated how sensitive business-type activities are to climate conditions.





Fund Level Financial Analysis

Governmental Funds - The focus of the City of North Richland Hills' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City's Council itself, or the designated individual delegated the authority to assign resources for use for particular purposes (Council Designated).

At September 30, 2021, the City's governmental funds reported combined fund balances of $106,458,810, an increase of $18,282,492 in comparison with prior year. Unassigned fund balance of $17,392,950 is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form ($115,149), 2) legally required to be maintained intact or to be used for a particular purpose ($69,620,559), 3) committed for particular purposes ($14,730,496), or 4) assigned for particular purposes ($4,599,656).

The General Fund is the chief operating fund of the City. For fiscal year 2021, the General Fund unassigned fund balance was $17,418,348 – an increase of $31,673. Unassigned fund balance represents approximately 34.6% of total General Fund expenditures for 2021, while total fund balance represents 38.9%. The General Fund balance increase was due primarily to higher than anticipated revenue, in particular Sales Taxes collected and Licenses and Permit revenue related to development also contributed to the increase.

The General Capital Projects fund increased governmental fund balance by approximately $16.3 million. During fiscal year 2021, the City issued $19.2 million in general obligation bonds and certificates of obligations for capital projects. Of the fund's $6.9 million expenditures, a significant portion can be attributed to improvements in the public street network including, Rufe Snow & Mid-Cities improvements, Northeast Parkway and Davis Traffic signalization, and Northeast Parkway extension. Other projects include the renovation of Linda Spurlock park and the construction of Fossil Creek Mountain Bike trail.

General Debt Service fund decreased governmental fund balance by $65,286. The decrease is associated with retirement of debt through principal and interest payments for 2021. The debt service fund had accumulated roughly $1.8 million in fund balance by the end of 2014. City Council and City Management instituted a planned drawdown of these funds to offset transfers out of regular operations for future fiscal year debt service requirements.

Parks and Recreation Development Corporation increased governmental fund balance by $1,216,482 which is primarily due to a return to normal operations for the Parks and Recreation department as a whole.

The TIF #2 Capital Projects Fund increased governmental fund balance by $11,506, resulting in an ending fund balance of $11,986,203 as of September 30, 2021. Subsequent to the end of FY 2021, the TIF # 2 Board voted to cease operations of the TIF, pay off all outstanding debt obligations, and return the residual fund balance back to the participating entities during FY 2022.

The TIF #2 Debt Service Fund increased governmental fund balance by $1,695,163, resulting in an ending fund balance of $14,130,058 as of September 30, 2021. The increase was due to property tax collections from participating entities and investment income received during 2021.

The Grants Fund decreased governmental fund balance by $292,569, resulting in an ending deficit fund balance of $25,398. The decrease was due to advance spending for grant projects pending approval.

Proprietary Funds - The proprietary funds provide the same type of information found in the government-wide financial statements.

General Fund Budgetary Highlights

Original budget compared to final budget. During the fiscal year, there were sufficient reasons to revise original estimated revenues and original appropriations. Revenue amendments resulted in a net increase of $867,283. Other Appropriations increased $3,083,420. Modifications were made to specific revenue projections, based on known activities and observed collection trends throughout the fiscal year. The City continues steady growth, adding another 290 new single-family homes while approving the platting of another 410 lots. Together with the increase in permit activity, the estimated revenue from Licenses and Permits was increased $112,200. Due to continued activity and the earlier than anticipated timing of projects, actual performance outpaced the revised estimate. Based on observed collection trends, estimated Sales Taxes collections were increased roughly $873,000. Fine & Forfeitures were decreased by $22,000 based on projections. During the fiscal year, the City experienced lower than anticipated citation issuance, caused by specific activities related to some grant initiatives undertaken by the City and vacant positions.

An area with a significant change in the Revised from the Original Budget was Other Appropriations, which increased by approximately $3,083,420. This change included appropriations for purchases of land associated with replacement of existing public safety facilities and areas along the TEXRail for redevelopment.

Final budget compared to actual results. Revenue sources saw negative variances in three categories - franchise taxes ($60,980 or -1.33 %), fines and forfeitures ($52,930 or -2.57%) and intergovernmental ($44,581 or -0.04%). A net positive revenue variance of $1,249,838 in the tax revenues grouping and a net positive variance of $880,170 in the non-tax revenue groupings resulted from collections received above projections, even after an upward revision to most categories. Within Expenditures for the fiscal year, Operational Transfers out exceeded budget by $50,000.

Expenditures and Other Uses	Estimated Appropriations	Actual Expenditures	Difference
Operating transfers out	$ 167,737	$ 217,737	$ (50,000)

Capital Asset and Debt Administration

Capital assets - At the end of fiscal year 2021, the City had $413.3 million (net of accumulated depreciation) invested in a broad range of capital assets including, but not limited to, police and fire equipment, buildings, park facilities, roads, bridges, aquatic park facilities, golf course assets, and the water and sewer system. The following table provides capital asset balances net of accumulated depreciation for each major category for both governmental and business-type activities as of September 30, 2021 and 2020.

Capital Assets
(net of Accumulated Depreciation)
Amounts shown in thousands (000's)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land improvements	$ 81,331	$ 78,484	$ 2,579	$ 2,579	$ 83,910	$ 81,063
Works of art	310	310	-	-	310	310
Buildings & improvements	92,162	92,215	2,408	450	94,570	92,665
Other improvements	130,651	132,915	13,568	15,011	144,219	147,926
Utility plant	-	-	65,157	66,099	65,157	66,099
Machinery and equipment	17,133	19,195	1,121	1,487	18,254	20,682
Assets held for sale	15	15	-	-	15	15
Construction in progress	5,966	9,361	866	4,444	6,832	13,805
Total capital assets	$ 327,568	$ 332,495	$ 85,700	$ 90,070	$ 413,267	$ 422,565

This year's major additions included:

Description	Amount
Buildings	$ 4,129,557
Various Land and Land Improvements	4,212,851
Various Water/Sewer Replacement & Improvements	4,408,769
Various Street Improvements	2,226,834
Computer, Machinery, and Equipment	416,661
Various Vehicles	1,078,524

The City prepares an annual Capital Improvement Projects budget that assigns specific funds and resources for use to only these projects. Until appropriations are removed, these resources are unavailable for general operations or new capital projects.

The City currently has committed resources (displayed as Noncurrent Assets—cash and cash equivalents in the Statement of Net Position) totaling $65,600,188 for both the Governmental and Business-type activities.

These resources will be used to purchase major equipment, construct new buildings, and add new infrastructure such as water and sewer lines and streets. More information on capital assets can be found in footnote III.C in the Footnotes to the financial statements.

Debt - At September 30, 2021 and 2020, the City had the following debt outstanding:

Outstanding Debt
Amounts shown in thousands (000's)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	$ 65,385	$ 53,150	$ 3,060	$ 3,590	$ 68,445	$ 56,740
Certificates of obligation	41,040	45,910	19,625	20,095	60,665	66,005
General obligation bonds - Private placement	565	835	120	140	685	975
Special assessment bonds	11,375	11,580	-	-	11,375	11,580
Capital lease	-	-	233	308	233	308
Totals	$ 118,365	$ 111,475	$ 23,038	$ 24,133	$ 141,403	$ 135,608

The presently outstanding general obligation debt of the City is rated "AA2" by Moody's and "AA+" by S&P. As a home rule city, the City is not limited by law in the amount of debt it may issue. The City's Charter provides that general property taxes are limited to $1.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation debt. For FY 2021, the City's property tax rate is $0.5757 per $100 assessed valuation. The current ratio of tax-supported debt to assessed value of all taxable property is 1.79%. Additional detailed information on long-term debt activity is disclosed in the notes (III-E) to the financial statements.

Pensions and Retiree Health Care

Pensions and retiree health care continue to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and that can be sustained over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important because the actuarial methods used include strategies for repaying any unfunded actuarial accrued liabilities. Combined with the City's history of making those contributions, it provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information ("RSI"), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Liability as of September 30, 2021 of $18,110,137, which is 48.7% of the City's annual covered payroll of $37,217,597 for the 2020 calendar year.

Retiree health care's net OPEB liability has been calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* to be $35,788,078 as of September 30, 2021, an increase of $2,068,427 from the previous valuation.

Economic Factors and Next Year's Budgets and Rates

The two largest revenue sources for the General Fund are property tax revenues and sales tax receipts. After working through a struggling economy, the City of North Richland Hills is finally experiencing a stabilization. In June 2019, the Texas state legislature passed Senate Bill 2 (SB-2) which limits the ability of local governments to increase property tax revenues above 3.5% without an affirmative vote of the citizens within the jurisdiction. For budget year 2021/2022, sales tax receipts are anticipated to be roughly 2% higher than the 2020/2021 actual. Property tax values are anticipated to continue rising due to steady new construction growth plus continued growth of existing property values. At this time, the City of North Richland Hills projects a 4-6% growth in property values, though a greater increase is not out of the realm of possibility.

The fiscal year 2021 budget was based on a slight increase to the property tax rate from $0.5720/$100 to $0.5757/$100. For fiscal year 2021, the tax rate distribution amounts for maintenance & operations and interest & sinking (per $100 assessed value) for the City are as follows:

Tax Rate Distribution Schedule	Tax Rate	Tax Rate Distribution
General Fund - Maintenance & Operations	$ 0.343611	$ 20,035,463
Debt Service Fund - Interest & Sinking	0.232089	11,202,557
Total Distribution of tax proceeds	$ 0.575700	$ 31,238,020

By policy, the City maintains an unassigned General fund balance of 15% of budgeted expenditures. The use of available fund balance for one-time expenditures eliminates the financial impact of such purchases on future budgets.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of North Richland Hills, Director of Finance, P.O. Box 820609, North Richland Hills, Texas 76182-0609.

NRH

Basic Financial Statements

NRH

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 37,913,923	$ 4,921,308	$ 42,835,231
Investments	23,711,716	7,536,243	31,247,959
Receivables, net of allowances	7,325,432	5,304,440	12,629,872
Interfund balances	1,415,776	(1,415,776)	-
Prepaids	448,860	15,262	464,122
Inventories, at cost	325,976	377,304	703,280
Internal balances	(10,024,446)	10,024,446	-
Total Current Assets	61,117,237	26,763,227	87,880,464
Noncurrent Assets:			
Cash and cash equivalents	48,608,021	16,992,167	65,600,188
Investments	24,360,808	1,270,865	25,631,673
Capital assets not being depreciated	87,621,610	3,445,073	91,066,683
Capital assets, net of accumulated depreciation	239,946,799	82,254,612	322,201,411
Total Noncurrent Assets	400,537,238	103,962,717	504,499,955
Total Assets	461,654,475	130,725,944	592,380,419
Deferred Outflows of Resources			
Deferred loss on refunding	343,196	50,200	393,396
Deferred outflows - OPEB	2,915,678	608,081	3,523,759
Deferred outflows - Pension	5,304,473	356,606	5,661,079
Total Deferred Outflows of Resources	8,563,347	1,014,887	9,578,234
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	3,446,458	1,587,538	5,033,996
Deposits and other liabilities	1,202,567	90,870	1,293,437
Customer deposits	-	3,367,432	3,367,432
Unearned revenue	430,520	108,872	539,392
Accrued interest payable	397,804	187,897	585,701
Total current liabilities	5,477,349	5,342,609	10,819,958
Noncurrent Liabilities:			
Due within one year: Bonds, leases, compensated absences	11,858,372	2,129,382	13,987,754
Due in more than one year:			
Intergovernmental payables	-	1,278,170	1,278,170
Net OPEB liability	32,342,177	3,445,901	35,788,078
Net pension liability	15,910,549	2,199,588	18,110,137
Bonds, leases, compensated absences	116,667,767	22,226,568	138,894,335
Total noncurrent liabilities	176,778,865	31,279,609	208,058,474
Total liabilities	182,256,214	36,622,218	218,878,432
Deferred Inflows of Resources			
Deferred gain on refunding	-	48,222	48,222
Deferred inflows - OPEB	7,749,835	966,624	8,716,459
Deferred inflows - Pension	6,649,451	635,441	7,284,892
Total deferred inflows of resources	14,399,286	1,650,287	16,049,573
Net Position			
Net investment in capital assets	233,115,972	65,153,537	298,269,509
Restricted for:			
Municipal court technology & security	867,259	-	867,259
Franchise peg fees	869,538	-	869,538
Records preservation fees	4,000	-	4,000
Parks and recreation development	4,605,252	-	4,605,252
Crime control district	1,947,425	-	1,947,425
Debt service	16,054,286	-	16,054,286
Promotional & economic development	1,381,557	-	1,381,557
Public safety	1,198,429	-	1,198,429
Impact fees restricted for construction	-	4,204,406	4,204,406
Unrestricted	13,518,604	24,110,383	37,628,987
Total net position	$ 273,562,322	$ 93,468,326	$ 367,030,648

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 16,217,730	$ 5,805,195	$ 5,800,716	$ 2,828
Public safety	31,352,267	2,791,638	3,600,455	-
Culture and recreation	11,744,572	3,415,077	130,380	-
Public works	10,915,178	2,013,671	-	241,494
Interest and other fees	3,681,268	-	-	-
Total Governmental Activities	73,911,015	14,025,581	9,531,551	244,322
Business-Type Activities:				
Utility	34,126,398	39,307,284	-	-
Aquatic park	4,155,497	4,598,425	-	-
Golf course	2,812,045	2,947,593	-	-
Total Business-Type Activities	41,093,940	46,853,302	-	-
Total Primary Government	$ 115,004,955	$ 60,878,883	$ 9,531,551	$ 244,322

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary Government			
Governmental Activities:			
General government	$ (4,608,991)	$ -	$ (4,608,991)
Public safety	(24,960,174)	-	(24,960,174)
Culture and recreation	(8,199,115)	-	(8,199,115)
Public works	(8,660,013)	-	(8,660,013)
Interest and other fees	(3,681,268)	-	(3,681,268)
Total Governmental Activities	(50,109,561)	-	(50,109,561)
Business-Type Activities:			
Utility	-	5,180,886	5,180,886
Aquatic park	-	442,928	442,928
Golf course	-	135,548	135,548
Total Business-Type Activities	-	5,759,362	5,759,362
Total Primary Government	(50,109,561)	5,759,362	(44,350,199)
General Revenues and Transfers:			
Taxes:			
Property	36,030,318	-	36,030,318
Sales	23,960,318	-	23,960,318
Mixed beverage	128,889	-	128,889
Franchise	3,557,946	-	3,557,946
Occupancy	313,649	-	313,649
Net unrestricted investment earnings	109,853	3,112	112,965
Miscellaneous	983,598	41,500	1,025,098
Transfers between governmental and business-type activities	2,733,649	(2,733,649)	-
Total General Revenues and Transfers	67,818,220	(2,689,037)	65,129,183
Change in net position	17,708,659	3,070,325	20,778,984
Net position - beginning of year	255,853,663	89,523,001	345,376,664
Prior period adjustment	-	875,000	875,000
Net position - end of year	$ 273,562,322	$ 93,468,326	$ 367,030,648

CITY OF NORTH RICHLAND HILLS, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development
Assets				
Cash and cash equivalents	$ 9,214,192	$ -	$ -	$ 2,923,881
Investments	7,963,253	-	-	1,089,682
Receivables, net of allowance:				
Accounts	1,011,049	-	-	-
Property taxes	228,189	-	-	-
Other taxes receivable	2,334,067	-	-	1,081,742
Interest receivable	801	634	60	229
Special assessments receivable	-	132,657	-	-
Intergovernmental receivables	40,067	-	-	-
Other receivables	395,863	-	-	36,485
Due from other funds	1,179,039	-	-	-
Inventories, at cost	97,974	-	-	17,175
Assets limited to use:				
Cash and cash equivalents	-	33,211,236	743,392	777,654
Investments	-	5,911,512	602,984	1,622,622
Total Assets	$ 22,464,494	$ 39,256,039	$ 1,346,436	$ 7,549,470
Liabilities				
Accounts payable	$ 504,798	$ 620,811	$ -	$ 95,554
Retainage payable	-	85,931	-	-
Accrued liabilities	479,150	-	-	51,028
Deposits and other liabilities	387,348	729,865	-	56,892
Due to other funds	-	-	-	-
Unearned revenue	310,482	11,424	-	107,414
Total Liabilities	1,681,778	1,448,031	-	310,888
Deferred Inflows of Resources				
Unavailable revenue - ambulance fees	937,583	-	-	-
Unavailable revenue - property taxes	228,189	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - assessments	-	132,657	-	-
Total Deferred Inflows of Resources	1,165,772	132,657	-	-
Fund Balance				
Nonspendable:				
Inventories	97,974	-	-	17,175
Restricted:				
Municipal court technology & security	867,259	-	-	-
Franchise peg fees	869,538	-	-	-
Record preservation fee	4,000	-	-	-
Parks and recreation development	-	-	-	4,605,253
Crime control district	-	-	-	-
Debt service	-	-	1,346,436	-
Promotional & economic development	-	-	-	-
Public safety	-	-	-	-
Capital projects (bond funded)	-	26,100,550	-	-
Committed:				
Donations	-	-	-	-
Drainage Utility	-	-	-	-
Gas development	-	-	-	-
Capital projects	-	9,951,124	-	-
Assigned:				
Recreation centre	-	-	-	2,609,469
Capital projects	-	116,157	-	-
Purchases on order	359,825	1,507,520	-	6,685
Unassigned	17,418,348	-	-	-
Total Fund Balance	19,616,944	37,675,351	1,346,436	7,238,582
Total Liabilities, Deferred Inflows and Fund Balance	$ 22,464,494	$ 39,256,039	$ 1,346,436	$ 7,549,470

CITY OF NORTH RICHLAND HILLS, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	TIF #2 Capital Projects Fund	TIF #2 Debt Service Fund	Grants Fund	Non-major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ -	$ -	$ 4,757,698	$ 3,691,456	$ 20,587,227
Investments	-	-	-	3,054,746	12,107,681
Receivables, net of allowance:					
Accounts	-	-	-	208,232	1,219,281
Property taxes	-	-	-	-	228,189
Other taxes receivable	-	-	-	1,182,311	4,598,120
Interest receivable	465	1,114	-	348	3,651
Special assessments receivable	-	-	-	-	132,657
Intergovernmental receivables	-	-	532,371	-	572,438
Other receivables	-	-	-	86,992	519,340
Due from other funds	-	-	-	-	1,179,039
Inventories, at cost	-	-	-	-	115,149
Assets limited to use:					
Cash and cash equivalents	7,338,208	2,985,111	-	5,946,790	51,002,391
Investments	4,647,530	11,143,833	-	409,004	24,337,485
Total Assets	$ 11,986,203	$ 14,130,058	$ 5,290,069	$ 14,579,879	$ 116,602,648
Liabilities					
Accounts payable	$ -	$ -	$ 44,373	$ 15,506	$ 1,281,042
Retainage payable	-	-	-	-	85,931
Accrued liabilities	-	-	5,234	58,358	593,770
Deposits and other liabilities	-	-	-	15,381	1,189,486
Due to other funds	-	-	263,263	-	263,263
Unearned revenue	-	-	-	-	429,320
Total Liabilities	-	-	312,870	89,245	3,842,812
Deferred Inflows of Resources					
Unavailable revenue - ambulance fees	-	-	-	-	937,583
Unavailable revenue - property taxes	-	-	-	-	228,189
Unavailable revenue - grants	-	-	5,002,597	-	5,002,597
Unavailable revenue - assessments	-	-	-	-	132,657
Total Deferred Inflows of Resources	-	-	5,002,597	-	6,301,026
Fund Balance					
Nonspendable:					
Inventories	-	-	-	-	115,149
Restricted:					
Municipal court technology & security	-	-	-	-	867,259
Franchise peg fees	-	-	-	-	869,538
Record preservation fee	-	-	-	-	4,000
Parks and recreation development	-	-	-	-	4,605,253
Crime control district	-	-	-	1,947,425	1,947,425
Debt service	-	14,130,058	-	975,596	16,452,090
Promotional & economic development	11,986,203	-	-	1,570,455	13,556,658
Public safety	-	-	-	1,198,429	1,198,429
Capital projects (bond funded)	-	-	-	4,019,357	30,119,907
Committed:					
Donations	-	-	-	749,811	749,811
Drainage Utility	-	-	-	3,006,891	3,006,891
Gas development	-	-	-	1,022,670	1,022,670
Capital projects	-	-	-	-	9,951,124
Assigned:					
Recreation centre	-	-	-	-	2,609,469
Capital projects	-	-	-	-	116,157
Purchases on order	-	-	-	-	1,874,030
Unassigned	-	-	(25,398)	-	17,392,950
Total Fund Balance	11,986,203	14,130,058	(25,398)	14,490,634	106,458,810
Total Liabilities, Deferred Inflows and Fund Balance	$ 11,986,203	$ 14,130,058	$ 5,290,069	$ 14,579,879	$ 116,602,648

CITY OF NORTH RICHLAND HILLS, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2021

Total fund balances - governmental funds	$ 106,458,810
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities resources (excluding internal service capital assets) are not financial resources and, therefore, are not reported as net positions in governmental funds.	325,341,906
Certain receivables are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	6,301,026
Internal service funds are used by the City's management for building and vehicle support services, self insurance, and information services. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds, net of amounts included in business type activities, are included with governmental activities in the Statement of Net Position but are not included at the fund level.	13,864,580
Long-term liabilities and related deferred inflows and outflows, including bonds payable, accrued interest payable, compensated absences, other post employment benefits, and net pension liability, are not due and payable in this current period and, therefore, are not reported as liabilities in the funds.	(178,404,000)
Total net position - governmental activities	$ 273,562,322

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development
Revenues				
Taxes	$ 36,511,959	$ -	$ 11,202,556	$ 5,995,942
Licenses and permits	3,212,074	-	-	-
Charges for services	2,177,065	14,362	-	2,813,979
Gas utility leases and royalties	-	-	-	-
Fines	2,005,086	-	-	-
Contributions	-	60,000	-	-
Special assessments	-	2,181	-	-
Investment income (loss)	70,589	(2,313)	7,461	3,524
Intergovernmental	2,899,390	-	82,583	-
Forfeitures	-	-	-	-
Miscellaneous	333,288	229	-	109,955
Total Revenues	47,209,451	74,459	11,292,600	8,923,400
Expenditures				
General government	9,367,082	-	-	-
Public safety	29,514,907	-	-	-
Culture and recreation	3,588,028	-	-	6,355,624
Public works	2,710,874	-	-	-
Capital outlay:				
General government	4,003,027	2,755,970	-	-
Public safety	1,185,203	-	-	-
Culture and recreation	-	1,144,373	-	43,389
Public works	-	2,789,113	-	-
Debt service:				
Principal retirement	-	-	9,175,000	-
Interest and fiscal charges	-	-	2,949,394	-
Bond issuance costs	-	252,062	-	-
Total Expenditures	50,369,121	6,941,518	12,124,394	6,399,013
Excess (deficiency) of revenues over expenditures	(3,159,670)	(6,867,059)	(831,794)	2,524,387
Other Financing Sources (Uses)				
Issuance of debt	-	18,030,000	-	-
Issuance of refunding debt	-	-	245,000	-
Premium on issuance of debt	-	1,409,059	9,411	-
Payment to refunded bond escrow agent	-	-	(258,003)	-
Proceeds from sale of assets	8,167	-	-	306
Transfers in	5,684,161	4,202,798	941,909	487,102
Transfers out	(2,246,659)	(509,229)	(171,809)	(1,795,313)
Total Other Financing Sources (Uses)	3,445,669	23,132,628	766,508	(1,307,905)
Net change in fund balances	285,999	16,265,569	(65,286)	1,216,482
Fund balances - beginning of year	19,330,945	21,409,782	1,411,722	6,022,100
Fund balances - end of year	$ 19,616,944	$ 37,675,351	$ 1,346,436	$ 7,238,582

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	TIF #2 Capital Projects Fund	TIF #2 Debt Service Fund	Grants Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ -	$ 3,914,656	$ -	$ 6,299,249	$ 63,924,362
Licenses and permits	-	-	-	-	3,212,074
Charges for services	-	-	-	1,724,726	6,730,132
Gas utility leases and royalties	-	-	-	659,357	659,357
Fines	-	-	-	-	2,005,086
Contributions	-	-	-	167,365	227,365
Special assessments	-	-	-	938,197	940,378
Investment income (loss)	11,506	8,650	(9,967)	(12,268)	77,182
Intergovernmental	-	-	1,157,267	381,212	4,520,452
Forfeitures	-	-	-	126,593	126,593
Miscellaneous	-	-	-	-	443,472
Total Revenues	11,506	3,923,306	1,147,300	10,284,431	82,866,453
Expenditures					
General government	-	-	117,451	145,733	9,630,266
Public safety	-	-	1,275,011	5,420,488	36,210,406
Culture and recreation	-	-	28,738	133,871	10,106,261
Public works	-	-	-	3,394,866	6,105,740
Capital outlay:					
General government	-	-	-	120	6,759,117
Public safety	-	-	-	192,451	1,377,654
Culture and recreation	-	-	-	-	1,187,762
Public works	-	-	3,238	53,264	2,845,615
Debt service:					
Principal retirement	-	1,750,000	-	205,000	11,130,000
Interest and fiscal charges	-	478,143	-	613,533	4,041,070
Bond issuance costs	-	-	-	-	252,062
Total Expenditures	-	2,228,143	1,424,438	10,159,326	89,645,953
Excess (deficiency) of revenues over expenditures	11,506	1,695,163	(277,138)	125,105	(6,779,500)
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	18,030,000
Issuance of refunding debt	-	-	-	-	245,000
Premium on issuance of debt	-	-	-	-	1,418,470
Payment to refunded bond escrow agent	-	-	-	-	(258,003)
Proceeds from sale of assets	-	-	-	-	8,473
Transfers in	-	-	24,309	1,025,503	12,365,782
Transfers out	-	-	(39,740)	(1,984,980)	(6,747,730)
Total Other Financing Sources (Uses)	-	-	(15,431)	(959,477)	25,061,992
Net change in fund balances	11,506	1,695,163	(292,569)	(834,372)	18,282,492
Fund balances - beginning of year	11,974,697	12,434,895	267,171	15,325,006	88,176,318
Fund balances - end of year	$ 11,986,203	$ 14,130,058	$ (25,398)	$ 14,490,634	$ 106,458,810

NRH Sounds of Spring provides six weekly concerts at the NRH City Hall with free live music by some of the region's best live performers under the stars.

CITY OF NORTH RICHLAND HILLS, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds	$ 18,282,492
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(4,541,866)
Certain deferred inflows of resources were earned in prior year but not yet available for fund level activity. This increase/(decrease) is due to the deferred inflows becoming available in current year.	5,588,299
Certain long-term liabilities are accrued at the government-wide level but not at the fund level. The current year change in those liabilities is reported as expense in the statement of activities. Expenses recorded for accrual of interest and amortization expense are included in this category.	3,253,281
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the difference between repayments and proceeds received.	(7,715,540)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities (exclusive of capital assets and debt).	2,841,993
Change in net position of governmental activities	$ 17,708,659

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

September 30, 2021

	Enterprise Funds				Governmental Activities Internal Service
	Utility	Aquatic Park	Golf	Total Enterprise	
Assets					
Current Assets:					
Cash and cash equivalents	$ 4,158,419	$ 762,889	$ -	$ 4,921,308	$ 12,333,112
Investments	5,099,224	666,626	1,770,393	7,536,243	11,627,358
Accounts receivable, net of allowances:					
Billed	2,195,128	37,872	-	2,233,000	-
Unbilled	3,020,116	-	-	3,020,116	-
Other	17,693	-	32,757	50,450	50,594
Interest receivable	597	107	170	874	1,162
Prepaid items	6,332	-	8,930	15,262	448,860
Inventories, at cost	296,962	28,584	51,758	377,304	210,827
Total current assets	14,794,471	1,496,078	1,864,008	18,154,557	24,671,913
Noncurrent assets:					
Cash and cash equivalents	16,985,729	6,438	-	16,992,167	2,599,214
Investments	868,046	402,819	-	1,270,865	-
Interfund loan receivable	-	-	-	-	500,000
Capital assets - net:					
Land	75,366	745,771	1,758,000	2,579,137	-
Buildings and improvements	-	2,465,964	802,762	3,268,726	53,976
Other improvements	-	23,483,965	11,983,759	35,467,724	602,769
Utility plant in service	147,526,338	-	-	147,526,338	-
Machinery and equipment	2,673,446	780,811	2,665,599	6,119,856	10,122,801
Construction in progress	865,936	-	-	865,936	-
Accumulated depreciation	(86,365,470)	(15,855,154)	(7,907,408)	(110,128,032)	(8,553,043)
Total capital assets - net	64,775,616	11,621,357	9,302,712	85,699,685	2,226,503
Total noncurrent assets	82,629,391	12,030,614	9,302,712	103,962,717	5,325,717
Total assets	97,423,862	13,526,692	11,166,720	122,117,274	29,997,630
Deferred Outflows of Resources					
Deferred loss on refunding	30,553	19,647	-	50,200	-
Deferred outflows - OPEB	519,992	88,089	-	608,081	379,535
Deferred outflows - Pension	304,641	51,965	-	356,606	255,193
Total deferred outflows of resources	855,186	159,701	-	1,014,887	634,728

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

September 30, 2021

	Enterprise Funds				Governmental Activities Internal Service
	Utility	Aquatic Park	Golf	Total Enterprise	
Liabilities					
Current Liabilities:					
Accounts payable and accrued expenses	$ 1,206,441	$ 106,174	$ 274,923	$ 1,587,538	$ 275,832
Deposits and other liabilities	87,794	3,076	-	90,870	1,222,964
Customer deposits	3,367,432	-	-	3,367,432	-
Due to other funds	-	-	915,776	915,776	-
Compensated absences	100,647	6,468	-	107,115	74,767
Unearned revenue	263	16,767	91,842	108,872	1,200
Accrued interest payable	119,859	42,589	25,449	187,897	-
Bonds payable	1,175,000	550,000	220,000	1,945,000	-
Capital lease payable	-	-	77,267	77,267	-
Total current liabilities	6,057,436	725,074	1,605,257	8,387,767	1,574,763
Noncurrent Liabilities:					
Bonds payable	13,911,973	4,507,379	3,299,055	21,718,407	-
Capital lease payable	-	-	154,744	154,744	-
Compensated absences	267,384	86,033	-	353,417	264,588
Interfund loan payable	-	500,000	-	500,000	-
Intergovernmental payables	1,278,170	-	-	1,278,170	-
Net OPEB liability	2,928,777	517,124	-	3,445,901	2,495,242
Net pension liability	1,905,063	294,525	-	2,199,588	1,389,679
Total noncurrent labilities	20,291,367	5,905,061	3,453,799	29,650,227	4,149,509
Total liabilities	26,348,803	6,630,135	5,059,056	38,037,994	5,724,272
Deferred Inflows of Resources					
Deferred gain on refunding	35,495	12,727	-	48,222	-
Deferred inflows - OPEB	831,527	135,097	-	966,624	561,206
Deferred inflows - Pension	543,238	92,203	-	635,441	457,854
Total deferred inflows of resources	1,410,260	240,027	-	1,650,287	1,019,060
Net Position					
Net investment in capital assets	53,024,571	6,577,335	5,551,631	65,153,537	2,226,503
Impact fees restricted for construction	4,204,406	-	-	4,204,406	-
Unrestricted net position (deficit)	13,291,008	238,896	556,033	14,085,937	21,662,523
Total net position (deficit)	$ 70,519,985	$ 6,816,231	$ 6,107,664	83,443,880	$ 23,889,026
	Reconciliation to business-type activities:				
	Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal balances are included with business-type activities.			10,024,446	
	Net Position of business type activities			$ 93,468,326	

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Enterprise Funds				Governmental Activities Internal Service
	Utility	Aquatic Park	Golf	Total Enterprise	
Operating Revenues					
Charges for services:					
Water and sewer service	$ 37,776,903	$ -	$ -	$ 37,776,903	$ -
Service charges	1,152,491	-	-	1,152,491	-
Inspection fees	125,839	-	-	125,839	-
Golf course fees and charges	-	-	2,863,900	2,863,900	-
Aquatic park admissions and services	-	4,598,425	-	4,598,425	-
Risk management	-	-	-	-	15,139,432
Facilities and fleet management	-	-	-	-	6,923,930
Information systems management	-	-	-	-	3,140,088
Miscellaneous revenues	80,438	42,739	188	123,365	346,945
Total operating revenues	39,135,671	4,641,164	2,864,088	46,640,923	25,550,395
Operating Expenses					
Claims	-	-	-	-	10,231,212
Contractual services	2,517,882	836,567	-	3,354,449	1,845,145
Water purchases	10,812,479	-	-	10,812,479	-
Wastewater treatment services	5,719,702	-	-	5,719,702	-
Personnel services	6,062,192	1,475,749	-	7,537,941	3,625,271
Golf course sales and service	-	-	2,337,623	2,337,623	-
Repairs and maintenance	3,913,065	50,543	-	3,963,608	3,031,708
Supplies	291,786	697,685	-	989,471	1,044,995
Depreciation	4,000,446	918,755	346,501	5,265,702	384,619
Total operating expenses	33,317,552	3,979,299	2,684,124	39,980,975	20,162,950
Operating income (loss)	5,818,119	661,865	179,964	6,659,948	5,387,445
Nonoperating revenues (expenses)					
Investment income	2,067	1,421	(376)	3,112	32,671
Interest and fiscal charges	(534,908)	(176,198)	(127,921)	(839,027)	-
Bond issuance costs	(35,000)	-	-	(35,000)	-
Other income	14,559	-	-	14,559	159,295
Gain (loss) on disposal of assets	-	382	-	382	146,985
Total nonoperating revenues (expenses)	(553,282)	(174,395)	(128,297)	(855,974)	338,951
Income (loss) before transfers	5,264,837	487,470	51,667	5,803,974	5,726,396
Transfers					
Transfers in	-	453,476	152,414	605,890	462,400
Transfers out	(5,551,528)	-	-	(5,551,528)	(1,134,814)
Total transfers - net	(5,551,528)	453,476	152,414	(4,945,638)	(672,414)
Change in net position	(286,691)	940,946	204,081	858,336	5,053,982
Net position - beginning of year	73,265,522	5,875,285	2,569,737	81,710,544	18,835,044
Prior period adjustment	(2,458,846)	-	3,333,846	875,000	-
Net position - end of year	$ 70,519,985	$ 6,816,231	$ 6,107,664	$ 83,443,880	$ 23,889,026

Reconciliation to business-type activities:	
Change in net position of enterprise funds	$ 858,336
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal balances are included with business-type activities.	2,211,989
Change in net position of business type activities	$ 3,070,325

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Enterprise Funds				Governmental Activities Internal Service
	Utility	Aquatic Park	Golf	Total Enterprise	
Cash flows from operating activities:					
Receipts from customers	$ 39,054,746	$ 4,287,676	$ 2,882,775	$ 46,225,197	$ -
Receipts from (payments for) interfund services provided	-	-	-	-	25,107,160
Other operating revenue	347,167	42,739	188	390,094	346,945
Payments to suppliers	(23,412,885)	(1,583,748)	(1,284,560)	(26,281,193)	(15,994,737)
Payments to employees	(6,391,806)	(1,531,979)	-	(7,923,785)	(3,813,397)
Net cash provided by (used for) operating activities	9,597,222	1,214,688	1,598,403	12,410,313	5,645,971
Cash flows from noncapital financing activities:					
Transfers from other funds	-	453,476	152,414	605,890	462,400
Transfers to other funds	(5,551,528)	-	-	(5,551,528)	(1,134,814)
Net cash provided by (used for) noncapital financing activities	(5,551,528)	453,476	152,414	(4,945,638)	(672,414)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(830,896)	(38,901)	(25,483)	(895,280)	2,808
Proceeds from capital debt	875,000	-	-	875,000	-
Principal paid on capital debt	(1,125,000)	(550,000)	(220,000)	(1,895,000)	-
Interest paid on capital debt	(483,042)	(120,882)	(108,438)	(712,362)	-
Principal paid on capital leases	-	-	(75,498)	(75,498)	
Insurance recovery proceeds	14,559	-	-	14,559	159,295
Proceeds from sale of capital assets	-	382	-	382	144,177
Net cash provided by (used for) capital and related financing activities	(1,549,379)	(709,401)	(429,419)	(2,688,199)	306,280
Cash flows from investing activities:					
Sale (purchase) of investments	5,742,000	(486,458)	(1,516,558)	3,738,984	(840,193)
Interest and dividends received	5,314	1,623	(406)	6,531	35,336
Net cash provided by (used for) investing activities	5,747,314	(484,835)	(1,516,964)	3,745,515	(804,857)
Net increase (decrease) in cash and cash equivalents	8,243,629	473,928	(195,566)	8,521,991	4,474,980
Cash and cash equivalents, beginning of year	12,900,519	295,399	195,566	13,391,484	10,457,346
Cash and cash equivalents, end of year	21,144,148	769,327	-	21,913,475	14,932,326
Reconciliation of Cash and Cash Equivalents to Statement of Net Position - Proprietary Funds					
Cash and cash equivalents - current	4,158,419	762,889	-	4,921,308	12,333,112
Cash and cash equivalents - noncurrent	16,985,729	6,438	-	16,992,167	2,599,214
Total cash and cash equivalents	21,144,148	769,327	-	21,913,475	14,932,326
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	5,818,119	661,865	179,964	6,659,948	5,387,445
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	4,000,446	918,755	346,501	5,265,702	384,619
(Increase) decrease in accounts receivable	(167,070)	(34,485)	(14,942)	(216,497)	(20,130)
(Increase) decrease in intergovernmental receivable	266,729	-	-	266,729	-
(Increase) decrease in prepaid items	4,888	-	21,719	26,607	(48,771)
(Increase) decrease in inventories	(4,653)	17,502	25,821	38,670	(74,698)
(Increase) decrease in OPEB deferred outflows	(236,904)	(40,010)	-	(276,914)	(161,357)
(Increase) decrease in pension deferred outflows	(49,553)	(8,369)	-	(57,922)	(33,751)
Increase (decrease) in accounts payable	(18,273)	1,192	131,397	114,316	128,724
Increase (decrease) in other current liabilities	(186,722)	(145)	(15,829)	(202,696)	78,370
Increase (decrease) in retainage payable	-	-	915,776	915,776	-
Increase (decrease) in customer deposits	170,973	-	-	170,973	-
Increase (decrease) in compensated absences	6,922	608	-	7,530	41,093
Increase (decrease) in unearned revenues	263	(293,766)	7,996	(285,507)	(1,462)
Increase (decrease) in intergovernmental payables	42,136	-	-	42,136	-
Increase (decrease) in net OPEB liability	176,195	29,757	-	205,952	120,007
Increase (decrease) in net pension liability	(240,180)	(40,564)	-	(280,744)	(163,589)
Increase (decrease) in OPEB deferred inflows	18,128	3,062	-	21,190	12,348
Increase (decrease) in pension deferred inflows	(4,222)	(714)	-	(4,936)	(2,877)
Total adjustments	3,779,103	552,823	1,418,439	5,750,365	258,526
Net cash provided by (used for) operating activities	$ 9,597,222	$ 1,214,688	$ 1,598,403	$ 12,410,313	$ 5,645,971

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

September 30, 2021

	OPEB Trust
Assets	
Investments, at fair value:	
Investment in master trust	$ 2,900,407
Total assets	$ 2,900,407
Net Position	
Restricted for other post employment benefits	$ 2,900,407
Total net position	$ 2,900,407

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND

For the Year Ended September 30, 2021

	OPEB Trust
Additions	
Contributions:	
Employer	$ 100,000
Net investment income	388,174
Total additions	488,174
Deductions	
Administrative expenses	16,085
Total deductions	16,085
Change in net position	472,089
Net position - beginning	2,428,318
Net position - ending	$ 2,900,407

Note I - Summary of Significant Accounting Policies

The City of North Richland Hills, Texas (the "City") Home Rule Charter was adopted by the voters at an election held on November 3, 1964. The City operates under a Council-Manager form of government. The City provides a full range of services including police and fire protection; municipal court operations; the construction and maintenance of streets and infrastructure; parks, library, and recreational activities including tennis center operations; neighborhood services activities; planning and inspections; and the operations of a water and wastewater system, a golf course, and a public water park. A private contractor, through a franchise agreement, provides solid waste collection and disposal services for the City.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

A. Reporting Entity

As required by GAAP, these basic financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. The blended component units, although legally separate entities, are, in substance, part of the primary government's operations. As such, data from these units is combined with data of the primary government. Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable or whose relationships with the City are such that exclusion would be misleading or incomplete.

Blended Component Units - The North Richland Hills Parks and Recreation Facilities Development Corporation ("PRD") is used to account for the accumulation of resources to build and improve City parks and recreational facilities and fund economic development activities. The North Richland Hills Crime Control and Prevention District ("CCD") is used to account for the accumulation and use of half-cent sales tax proceeds dedicated for crime reduction programs. The PRD and CCD are reported as special revenue funds of the primary government. The Boards of Directors of both component units are substantially the same as the City Council.

Tax Increment Financing District No. 1 ("TIF #1") was created to fund drainage improvements that would alleviate flooding problems, reduce property damage associated with the flooding, and stimulate development within the zone of TIF #1. In 2008, TIF #1 was expanded to provide funding for intersection improvements and the burial of utility lines to enhance economic revitalization in the area. Tax Increment Financing District #2 ("TIF #2") was created to provide funding for public improvements that would benefit the participants in and citizens of TIF #2. These TIF's meet the criteria for blending as the City Council and TIF Boards are substantially the same. In addition, although other entities are involved in the TIF, the primary financial benefit or burden relationship is between the City and the TIF's, and management of the City has day-to-day operational responsibility for the activities of the TIF.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its blended component units. For the most part, the effect of interfund activity has been eliminated from these statements. However, interfund services provided and used are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

Note I - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are designated to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources traditionally associated with governments which are not required to be accounted for in another fund. Major functions financed by the General Fund include general government, public safety, culture and recreation, and public works. Financing is provided from taxes (primarily property, sales, and franchise), licenses and permits, fines, and investment income.

The General Capital Projects Fund is used to account for financial resources used for the acquisition and construction of major street, drainage, and municipal facilities capital assets.

The General Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest, and related charges on long-term general obligation debt of governmental funds. Financing is provided primarily by a specific annual property tax levy.

Note I - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The Parks and Recreation Facilities Development Fund accounts for the accumulation and use of resources to build and improve City parks and recreation facilities as well as economic development projects. The City has permanently designated this fund as a major governmental fund.

The Tax Increment Financing District #2 Capital Projects Fund provides funding for public improvements that would benefit the participants in and citizens of TIF #2 as well as others in the Metroplex area.

The Tax Increment Financing District #2 Debt Service Fund is used to accumulate monies for the payment of principal, interest, and related charges on the debts of TIF #2.

The Grants Fund is a centralized fund accounting for all private, local, state, and federal grant proceeds.

The City reports the following major proprietary funds:

The Utility Fund accounts for the distribution of water, transportation of wastewater, and solid waste removal services provided to the residents of the City. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, financing and debt service, and billing and collections.

The Aquatic Park Fund accounts for the operation of NRH_2O, the City's public water park. All activities necessary to operate the park are accounted for in the fund, including, but not limited to, administration, park operations, park maintenance, and financing and debt service.

The Golf Course Fund accounts for the operations of Iron Horse Golf Course, the City's public golf course. All activities necessary to operate the course are accounted for in the fund, including, but not limited to, administration, operations, course maintenance, and financing and debt service. The Golf Course in the only non-major proprietary fund.

Internal Service Funds account for building maintenance services, fleet management, computer and telephone service, as well as insurance coverage provided to other departments of the City, on a cost reimbursement basis.

The City also reports one fiduciary fund. The OPEB Trust Fund accounts for the activities of the long-term funding of the City's other post-employment benefits provided. These funds are contributed by the City on an annual basis to help offset future costs and outflows for post- employment benefits payments.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Note I - Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Deposits and investments

Cash and cash equivalents consist of bank deposits and investments with an original maturity of three months or less, including investment pools. Substantially all operating deposits and investments are maintained in pooled deposits and investment accounts. Interest income relating to pooled deposits and investments is allocated monthly to the participating individual funds based on each fund's pro-rata share of total pooled deposits and investments.

Investments consist of (1) investments in public fund investment pools, (2) short-term investments that mature in 12 months or less from the time of purchase and (3) investments that mature in greater than 12 months from the time of purchase. Other than investment pools, most of the City's investments are long-term (i.e., at the time of purchase, the maturity equals or exceeds one year) and, accordingly, the investments are carried at fair value. The government's investment pools operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

Legal provisions generally permit the City to invest in certificates of deposit, repurchase agreements, public funds investment pools, direct obligations of the United States of America or its subdivisions, and state and local government securities. During the year ended September 30, 2021, the City did not own any types of securities other than those permitted by statute.

For the purposes of presenting the statement of cash flows for Proprietary Funds, cash and cash equivalents are defined as cash and the funds' investment in the City's pooled accounts which provide cash-equivalent liquidity (Note III).

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property and certain personal property located in the City. Tax liens attach as of February 1. Taxes are due upon receipt of the tax bill.

Property taxes are limited by the Texas Constitution to $2.50 per $100 of assessed valuation and by City Charter to $1.50 per $100 assessed valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2021 was $0.572 per $100 of assessed valuation.

Note I - Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (continued)

Inventories and prepaid items

In accordance with the consumption method of accounting, both inventories and prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

All inventories are valued at cost using the first-in/first-out ("FIFO") method. Inventories are offset by a fund balance reserve account in applicable governmental funds to indicate the inventory values are not available for appropriation and are not expendable financial resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted assets

Certain resources set aside for the repayment of outstanding City debt are classified as restricted assets on the balance sheet because their use is limited. The "debt service reserve funds" are used to segregate resources accumulated for outstanding debt. The "construction funds" account includes, but is not limited to, unspent bond proceeds that are limited as to use for financing the acquisition or construction of capital assets.

The Crime Control and Prevention District (Special Revenue) Fund contains assets restricted for transition. The "transition" term is used to identify funds that are covered by Texas Sales Tax laws and has been restricted to offset future unforeseen circumstances (i.e. dissolution of the fund due to citizens vote to end operations of the district). If the half-cent sales tax funding CCD activities is discontinued, the restricted assets will be used to fund those activities until an alternate funding source can be identified (i.e., during the transition period).

In the Utility Fund, impact fees are a restriction imposed by the City's governing body for the purpose of collection of funds from developers for specific utility infrastructure improvement projects. State of Texas Statutes grant this authority to the City Council which upon their approval is valid for a five-year period. Every five years, the impact fee plan expires and a new program must be developed and submitted to Council for approval.

Assets limited to use

Assets limited to use and defined as noncurrent assets in the Utility Fund are customer deposits. This limitation is contractually supported. The City is not allowed to use the funds unless it is to refund back to the customer for good standing account history or that they default upon the terms of the agreement.

The Information Technology (Internal Service) Fund contains assets used for future system improvements. The intended purpose is to fund major computer system software and hardware system replacements and upgrades.

The Facilities and Construction Services and Fleet Services (Internal Service) Funds contain assets to be used for building and equipment maintenance and replacement. The building reserve is used to accumulate funds for the implementation of the multi-year plan. The equipment reserve is used to accumulate funds for the replacement of vehicles and heavy equipment.

Note I - Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (continued)

The Self-Insurance (Internal Service) Fund contains assets to be used for future insurance claims. Funds will be accumulated until needed to cover these costs of excessive claims or until management has determined sufficient funds have been accumulated to cover future claims. Future claims of the Self-Insurance Internal Service Fund are funds set aside and obligated for medical, dental, prescription, or other risk payables that could arise in future fiscal periods. This fund has a very proactive approach to plan for future claims and ensure that funding is available to pay should the need occur.

Capital assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drainage facilities, parks and related improvements, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund level financial statements. Capital assets are defined by the City as assets with an initial, individual cost of at least $5,000 and an estimated useful life in excess of one year. Assets purchased or constructed are recorded at historical cost when available or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are capitalized at the following thresholds and are depreciated using the straight-line method over the following estimated useful lives:

Asset Category	Useful Life	Capitalization Threshold
Land		$ -
Buildings and improvements	30 years	100,000
Other improvements	30 years	100,000
Water, sewer system and other infrastructure	33 years	100,000
Furniture and fixtures, & certain machinery and equipment	10 years	5,000
Firetrucks and ambulances	20 years	5,000
Other machinery and equipment including vehicles	3-12 years *	5,000

**Range is due to different machinery and equipment having different levels of capitalization thresholds within fiscal policy.*

Note I - Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (continued)

Compensated absences

City employees are granted vacation leave in varying amounts depending on length of service. Sick leave is also granted to employees. In the event of termination, an employee will be paid for all unused vacation leave credit upon separation from employment with the City. Employees who are eligible to utilize their accrued vacation but who have not completed their probationary period are not eligible to be paid for unused vacation at the time of separation. No reimbursement is made for unused accumulated sick leave upon termination of employment, except upon retirement. Upon retirement, an employee may convert up to six weeks of accrued sick leave to vacation. Sick pay is recorded when taken. All vacation pay is accrued as vested and included in accrued liabilities in the government-wide and proprietary fund financial statements. Accrued vacation pay, including converted sick leave, that is expected to be liquidated within one year, is reported as a short-term liability. The remainder of the liability is reflected as long-term.

Long-term obligations

In the government-wide financial statements and proprietary funds financial statements, long- term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts and losses on bond refundings are deferred and amortized over the life of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, deferred amounts related to pension, and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: ambulance fees, property taxes, grants, and assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available, or within 60 days of the fiscal year-end. In the government-wide financial statements the City reports deferred amounts related to pension and deferred amounts related to OPEB. The deferred gain on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note I - Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (continued)

Fund balance

Fund balances are reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's Council (the city's highest level of authority),
4. *Assigned* fund balance classification are intended to be identified and authorized for specific purposes by the City's authorized representative by the Council (City Manager) and for other purposes that cannot be classified as restricted or committed,
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Committed Fund Balance Policy

Fund balances are committed by the City Council under specific resolutions or ordinances which were adopted to restrict the utilization of special revenue sources. Once the resolutions or ordinances are adopted, the limitation imposed remains in place until a similar action is taken (the adoption of another resolution or ordinance) to remove or revise the limitation.

Fund balance reporting as a result of resolutions and ordinances passed by City Council:

- General Donations or contributions to the City that do not have specific goals designated by the donor are committed by council resolution to keep the original general intent for which they were received.
- Drainage Utility Fees are to be utilized for the infrastructure or debt service for such infrastructure.
- Gas Development funds are used for specific projects for various reasons such as deemed necessary by city management.

Assigned Fund Balance Policy

Approved by the fund balance policy, the City's Assigned Fund Balance is under the direction of the City Manager, (as authorized by the City Council).

- Capital projects are proceeds assigned by management through budget appropriations to fund special capital projects not funded through bond proceeds,
- Recreation Centre assignment is net operations for the program for future infrastructure maintenance and operational needs,
- Encumbrances are purchases procured in the current fiscal year, but will not be delivered or services accomplished until the next fiscal year. This assignment of prior year encumbrances insures resources are available to complete the purchases.

Note I - Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (continued)

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance depleted before using any of the components of unrestricted fund balance. Further when the components of unrestricted fund balance can be used for the same purposes, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Minimum Fund Balance

At the end of each fiscal year, the General Fund should maintain a minimum unassigned fund balance that is no less than 15% of the subsequent year's General Fund Appropriated Expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

Note II - Reconciliation of Government-Wide and Governmental Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that "capital assets used in governmental activities (excluding internal service capital assets) are not financial resources and, therefore, are not reported as assets in governmental funds." The details of the difference are as follows:

Capital assets, net of depreciation (internal service funds excluded)	$ 319,375,659
Construction in progress (internal funds excluded)	5,966,247
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	$ 325,341,906

The second element of that reconciliation explains that "certain receivables are not available to pay current-period expenditures and, therefore, are deferred in the funds." The details of the difference are as follows:

Unavailable revenue	$ 6,301,026
Net adjustment to increase fund balance - total governmental funds to arrive at the position - governmental activities	$ 6,301,026

Note II - Reconciliation of Government-Wide and Governmental Fund Financial Statements (continued)

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (continued)

Another element of that reconciliation explains that "the assets and liabilities of the internal service funds are included with governmental activities in the Statement of Net Position but are not included at the fund level." The details of the difference are as follows:

Net position, internal service funds combined	$ 23,889,026
Amount allocated to business-type activities	(10,024,446)
Net adjustment to increase fund balance - total governmental funds to arrive at net positions - governmental activities	$ 13,864,580

The last element of that reconciliation explains that "long-term liabilities (excluding internal service funds), including bonds payable and related deferred inflows and outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds." The details of the difference are as follows:

Bonds payable	$ (106,990,000)
Unamortized premiums/discounts on bonds payable	(6,550,597)
Deferred loss on refunding	343,196
Accrued interest payable	(397,804)
Special assessment bonds payable	(11,375,000)
Compensated absences	(3,271,187)
Net OPEB liability	(29,846,935)
Deferred outflows - OPEB	2,536,143
Deferred inflows - OPEB	(7,188,629)
Net pension liability	(14,520,870)
Deferred outflows - pension	5,049,280
Deferred inflows - pension	(6,191,597)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ (178,404,000)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the difference are as follows:

Capital outlay in excess of capitalization threshold	$ 8,605,605
Depreciation expense	(13,147,471)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (4,541,866)

Note II - Reconciliation of Government-Wide and Governmental Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities (continued)

The next element of that reconciliation explains that "certain revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. These differences are the net change in deferred inflows of resources." The current year difference is $5,588,299.

The next element of that reconciliation explains that "certain long-term liabilities are accrued at the government-wide level but not at the fund level." The details of the difference are as follows: (Excludes Internal Service Funds)

Changes in:	
Accrued interest/interest expense	$ 21,937
OPEB expense	291,480
Pension expense	3,025,061
Compensated absences	(85,197)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ 3,253,281

Another element of that reconciliation states that "bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the difference between repayments and proceeds received." The details of the difference are as follows: (Excludes Internal Service Funds)

Debt issued or incurred:	
Refunding bonds	$ (245,000)
Certificates of obligation bonds	(18,030,000)
Principal repayments on debt	11,130,000
Payments to refunding agent	258,003
Premium on bond sale	(1,418,470)
Current year amortization of bond premium, discount, deferred inflows and outflows (gain and loss)	589,927
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (7,715,540)

Note II - Reconciliation of Government-Wide and Governmental Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities (continued)

Another element of that reconciliation states that "the net revenue (expense) of internal service funds is reported with governmental activities." The details of the difference are as follows:

Change in net position - internal service funds combined	$ 5,053,982
Income (Expenses) reflected in business-type activities	(2,211,989)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 2,841,993

Note III - Detailed Notes on all Funds

A. Deposits and investments

Deposits - The City maintains an entity wide cash and investment pool that is available for use by all funds. Each fund's portion of the pool is displayed on the statement of net position as "Cash, Cash Equivalents and Investments".

The investment policy of the City is governed by State statute and a Council adopted City Investment Policy. Major controls stipulated in the Investment Policy include: depository limitations require Federal Deposit Insurance Corporation ("FDIC") insurance or full 100 percent collateralization; depositories are limited to Texas banking institutions; all collateral for repurchase agreements and deposits held by independent third party trustees; all settlement is delivery versus payment; all authorized investments are defined; and diversification guidelines are set as are maximum maturity and maximum weighted average maturity. State statutes require all time and demand deposits to be fully insured or collateralized. At September 30, 2021, the bank balances of the City's demand deposits were $9,541,834. Accounts with under $250,000 balance of either an interest-bearing account or non-interest-bearing account are covered by FDIC deposit insurance. The total cash held in demand deposits has been materially collateralized and meets statutes' requirements.

As of September 30, 2021, the City's investment pool portfolio (excluding bank deposits) are held by the City's custodian in the City's name under written agreements. The City's custodian is JP Morgan Chase. The City's investment portfolio, excluding the fiduciary fund, held the following cash, cash equivalents, and investments as of September 30, 2021:

Cash on hand (petty cash, cashier tills)	$ 48,577
Demand Deposit Accounts	9,502,497
Investment Pools	93,885,083
Government Mutual Fund	4,993,584
Federal Agency Bond / Note	25,228,216
Federal Agency Commercial Mortgage- Backed Security	269,462
Municipal Bond / Note	2,509,743
Supra- National Agency Bond / Note	793,723
U. S. Treasury Bond / Note	28,084,166
Total deposits and investments	$ 165,315,051

Legal provisions generally permit the City to invest in certificates of deposit, repurchase agreements, public funds investment pools, direct obligations of the United States of America or its subdivisions, and state and local government securities. Because the City is responsible for the investment portfolio of its blended component units, the City's investment practices and policies disclosed herein apply equally to its component units. During the year ended September 30, 2021, the City did not own any types of securities other than those permitted by statute.

Note III - Detailed Notes on all Funds (continued)

A. Deposits and investments (continued)

TexPool falls under the purview of the Texas Comptroller of Public Accounts ("Comptroller") who is responsible for oversight of TexPool operations. TexasTERM is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. Duties of the governing boards include oversight responsibility. The Comptroller and the governing boards exercise oversight of the pools' activities via daily, weekly, and monthly reporting requirements. Additionally, per the requirements of the Public Funds Investment Act ("PFIA"), all pools will maintain an AAA or equivalent rating from at least one nationally recognized rating agency. The PFIA also requires an annual examination of the financial statements of the pools by an independent certified public accounting firm. TexPool is carried at amortized cost and TexasTERM is carried at net asset value.

Investments - Weighted average maturity ("WAM") of the portfolio by investment type categories reflected in the following table is stated in days. Additional information about the rating agency or the significance of the ratings provided may be obtained from the agency's web site. As of September 30, 2021, the City held the following investments:

Investment Type	WAM	S&P Rating	Moody Rating	Carrying Value
Investment Pools:				
TexPool	1	AAAm	N/A	$ 83,647,640
Texas TERM	1	AAAm	N/A	10,237,443
Government Mutual Fund	29	AAAm	Aaa-mf	4,993,584
Federal Agency Bond / Note	576	AA+	Aaa	25,228,216
Federal Agency Commercial Mortgage- Backed Security	762	AA+	Aaa	269,462
Municipal Bond / Note	553	A+, AA, AA+	A2, Aa1, Aa2, Aa3	2,509,743
Supra- National Agency Bond / Note	567	AAA	Aaa	793,723
U. S. Treasury Bond / Note	753	AA+	Aaa	28,084,166
Total Portfolio	244			$ 155,763,977

In accordance with GASB Statement No. 72, *"Fair Value Measurement and Application,"* the City records investments at fair value. However, for participating interest-earning investments contracts with maturities of one year or less at time of purchase, the City reports these investments at amortized cost.

Interest Rate Risk

Interest rate risk is the potential for a decline in market value due to rising interest rates. In accordance with its formally adopted investment policy, the City manages its exposure to declines in fair market value by limiting the portfolio's weighted average maturity to a maximum of 730 days. The City also employs an investment maturity laddering structure to stagger investment maturities at various monthly rungs on the ladder. This laddering structure provides the City with the ability to reinvest the proceeds from the maturities in higher-yielding securities given the proceeds are not required to meet immediate cash flow needs.

Note III - Detailed Notes on all Funds (continued)

A. Deposits and investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of most deposits in excess of coverage, utilizes the delivery vs. payment method for investment purchases, and contracts with a third-party safekeeping agent. In conjunction with JP Morgan Chase, the City has exercised the option to accept a Federal Home Loan Bank Irrevocable Standby Letter of Credit, as the first $9,600,000 of collateral.

Per the terms of its depository agreement, for bank deposits in excess of the coverage provided by the FDIC, the City requires the depository bank to pledge to the City securities (collateral) equal to the following percentages, as applicable, to the largest balances the City maintains in the Bank.

Maturity of Collateral	U.S. Treasuries	Other Securities
1 year or less	101%	102%
1 year to 5 years	102%	105%
Over 5 years	103%	110%

The percentages as shown reflect the requirement based on fair value of the pledged securities.

The City's depository bank also acts as its safekeeping agent per the terms of the depository contract. City policy dictates that all securities rendered for payment will be sent delivery vs. payment meaning that the funds required for purchase of a security will not be released until the safekeeping agent has received the security purchased in the City's name. No broker holds City funds. The City does not purchase securities from its depository bank or any subsidiary banks of the same bank holding company.

Credit Risk

The Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In order to minimize credit risk, the City limits investments to those rated as to investment quality of not less than "A" or its equivalent by a nationally recognized rating firm. Diversification of the portfolio is also employed to manage credit risk. The investment policy limits the percentage of the portfolio that may be invested in any specific type of security. Ratings for the City's investments and the percentage of the total portfolio of each investment type held at the end of year can be found on the first table in this section.

Note III - Detailed Notes on all Funds (continued)

A. Deposits and investments (continued)

Other Post-Employment Benefit ("OPEB") Trust Fund Investments

The City has contracted with Public Agency Retirement Services ("PARS") for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. The OPEB Plan does not have a formal policy for custodial credit risk. As of September 30, 2021 all investments are registered in the name of the OPEB Plan's custodian established through a master trust custodial agreement. The OPEB Trust Fund investments are carried at fair value of $793,723 as of September 30, 2021. The investment in master trust is classified in Level 3 of the fair value hierarchy using quoted market prices of the mutual funds owned by the trust, allocated among members. The Trust's funds are invested in a mutual fund that is invested in equity, money market and fixed income mutual funds. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool.

- Interest Rate Risk – Interest rate risk is the potential for a decline in market value due to rising interest rates. In accordance with its formally adopted investment policy, the Trust committee has chosen to use moderate risk levels. Exposure to market fluctuations can occur, and the investment strategy is reviewed annually to ensure that exposure to these market fluctuations is appropriate.
- Custodial Credit Risk – Custodial credit risk is the risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. The Trust is not covered by any collateral agreement or FDIC insurance.
- Credit Risk – The Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk tolerance chosen by the Trust is moderate. The mutual fund investment is not rated.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note III - Detailed Notes on all Funds (continued)

A. Deposits and investments (continued)

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2021:

	Fair Value	Level 1	Level 2	Level 3
Investments measured at fair value:				
Government Mutual Fund	$ 4,993,584	$ -	$ 4,993,584	$ -
Federal Agency Bond / Note	25,228,216	-	25,228,216	-
Federal Agency Commercial Mortgage- Backed Securit	269,462	-	269,462	-
Municipal Bond / Note	2,509,743	-	2,509,743	-
Supra- National Agency Bond / Note	793,723	-	793,723	-
U. S. Treasury Bond / Note	28,084,166	-	28,084,166	-
Total investments measured at fair value	61,878,894	$ -	$ 61,878,894	$ -
Investments measured at net asset value - TexasTERM	10,237,443			
Investments measured at amortized cost - TexPool	83,647,640			
Total investments	$ 155,763,977			

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient or amortized cost have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for all related external investment pool balances.

Investments in State Investment Pools

During the year, the City invested in multiple public investment pools, including TexPool and TexasTerm. TexasTerm is measured at net asset value and are designed to approximate the share value, while TexPool is measured at amortized cost. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

Note III - Detailed Notes on all Funds (continued)

B. Receivables

Governmental and Business-type funds' receivables as of year-end for the City's major funds and non-major in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development	TIF #2 Capital Projects Fund	TIF #2 Debt Service Fund	Grants Fund	Non-major Governmental Funds	Total Governmental Funds
Accounts	$ 1,011,049	$ -	$ -	$ -	$ -	$ -	$ -	$ 209,652	$ 1,220,701
Property taxes	785,140	-	-	-	-	-	-	-	785,140
Other taxes	2,334,067	-	-	1,081,742	-	-	-	1,182,311	4,598,120
Interest	801	634	60	229	465	1,114	-	348	3,651
Special assessments	-	132,657	-	-	-	-	-	-	132,657
Intergovernmental	40,067	-	-	-	-	-	532,371	-	572,438
Other	395,863	-	-	36,485	-	-	-	88,960	521,308
Total	4,566,987	133,291	60	1,118,456	465	1,114	532,371	1,481,271	7,834,015
Allowance	(556,951)	-	-	-	-	-	-	(3,388)	(560,339)
Total (net of allowance)	$ 4,010,036	$ 133,291	$ 60	$ 1,118,456	$ 465	$ 1,114	$ 532,371	$ 1,477,883	$ 7,273,676

Proprietary Funds:

	Utility	Aquatic Park	Golf	Total Enterprise Funds	Internal Service
Accounts	$ 5,357,570	$ 37,872	$ 32,757	$ 5,428,199	$ 50,594
Interest	597	107	170	874	1,162
Intergovernmental	-	-	-	-	-
Total	5,358,167	37,979	32,927	5,429,073	51,756
Allowance	(124,633)	-	-	(124,633)	-
Total (net of allowance)	$ 5,233,534	$ 37,979	$ 32,927	$ 5,304,440	$ 51,756

Unearned Revenue

At the end of the current fiscal year, the various components of unearned revenue were as follows:

	Unearned Revenue
General Fund:	
Grant proceeds	$ 269,535
LEOSE Public Safety proceeds	22,526
Escrow deposits	17,993
Miscellaneous	428
Total General Fund	310,482
Parks and Recreation Development:	
Centre and event deposits for future services	107,414
Capital Projects Fund:	
Miscellaneous	11,424
Enterprise Funds:	
Advanced Payments, Gift Certificates, Store Credit	108,872
Internal Service Funds:	
Information technology advance payments	1,200
Total Unearned Revenue	$ 539,392

Note III - Detailed Notes on all Funds (continued)

C. Capital assets

Capital asset activity for the primary government for the year ended September 30, 2021, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, nondepreciable:					
Land	$ 78,484,139	$ 2,846,404	$ -	$ -	$ 81,330,543
Works of art	310,208	-	-	-	310,208
Assets held for sale	14,612	-	-	-	14,612
Construction in progress	9,360,688	2,118,292	-	(5,512,733)	5,966,247
Total nondepreciable	88,169,647	4,964,696	-	(5,512,733)	87,621,610
Capital assets, depreciable:					
Buildings	126,451,825	-	-	4,129,557	130,581,382
Other improvements	256,062,681	2,226,834	-	1,366,447	259,655,962
Machinery and equipment	37,325,733	1,414,075	-	16,729	38,756,537
Total depreciable	419,840,239	3,640,909	-	5,512,733	428,993,881
Less accumulated depreciation for:					
Buildings	(34,236,844)	(4,182,050)	-	-	(38,418,894)
Other improvements	(123,147,017)	(5,857,356)	-	-	(129,004,373)
Machinery and equipment	(18,131,131)	(3,492,684)	-	-	(21,623,815)
Total accumulated depreciation	(175,514,992)	(13,532,090)	-	-	(189,047,082)
Total depreciable - net	244,325,247	(9,891,181)	-	5,512,733	239,946,799
Governmental activities - net	$ 332,494,894	$ (4,926,485)	$ -	$ -	$ 327,568,409

Business-type activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, nondepreciable:					
Land	$ 2,579,137	$ -	$ -	$ -	$ 2,579,137
Construction in progress	4,443,806	266,887	-	(3,844,757)	865,936
Total nondepreciable	7,022,943	266,887	-	(3,844,757)	3,445,073
Capital assets, depreciable:					
Buildings	3,268,726	-	-	-	3,268,726
Utility plant	146,451,415	564,012	-	2,592,785	149,608,212
Other improvements	32,069,497	64,381	-	1,251,972	33,385,850
Machinery and equipment	6,119,856	-	-	-	6,119,856
Total depreciable	187,909,494	628,393	-	3,844,757	192,382,644
Less accumulated depreciation for:					
Buildings	(2,818,905)	(90,552)	-	2,049,212	(860,245)
Utility plant	(80,352,079)	(3,637,698)	-	(461,128)	(84,450,905)
Other improvements	(17,058,371)	(158,519)	-	(2,600,676)	(19,817,566)
Machinery and equipment	(4,632,975)	(1,378,933)	-	1,012,592	(4,999,316)
Total accumulated depreciation	(104,862,330)	(5,265,702)	-	-	(110,128,032)
Total depreciable - net	83,047,164	(4,637,309)	-	3,844,757	82,254,612
Business-type activities - net	$ 90,070,107	$ (4,370,422)	$ -	$ -	$ 85,699,685

Note III - Detailed Notes on all Funds (continued)

C. Capital assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	**Depreciation Expense**
General government	$ 3,404,856
Public safety	1,477,120
Culture and recreation	2,791,929
Public works	5,473,566
Facilities and construction	16,015
Fleet services	324,080
Information systems	44,524
Total governmental activities	$ 13,532,090

Business-type activities:	**Depreciation Expense**
Water and sewer	$ 4,000,446
Aquatic park	918,755
Golf course	346,501
Total business-type activities	$ 5,265,702

Construction Commitments

The City has active construction projects as of September 30, 2021. The projects include street construction, widening, and streetscaping, as well as construction of drainage facilities, parks and park improvements, and municipal facilities. At year-end the City's commitments with contractors were as follows:

	Project Authorization	**Stored and Completed to Date**	**Remaining Commitment**
Streets, drainage, public safety, park improvements, municipal facilities, equipment, and utility improvements	$ 19,385,361	$ 6,832,183	$ 12,553,178

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Encumbrances
General fund	$ 4,602
Capital projects fund	2,347,790
Other funds	2,161,967
Total	$ 4,514,359

Note III - Detailed Notes on all Funds (continued)

D. Interfund Receivables, Payables, and Transfers

Current Interfund Balances. At September 30, 2021, current interfund balances consisted of the following:

	Interfund Receivable	Interfund Payable
Governmental:		
General Fund	$ 1,179,039	$ -
Grants Fund	-	263,263
Enterprise:		
Golf Fund	-	915,776
Total governmental funds	$ 1,179,039	$ 1,179,039

Long-term Interfund Balances. In fiscal year 2018, the City approved a long-term interfund loan to be paid in future years payable from the Aquatic Park to the Self-Insurance fund. The original amount of the loan was $500,000 and the amount outstanding as of September 30, 2021 was $500,000.

Transfers In/Out amounts for Governmental and Proprietary Funds are as follows:

	Transfer in:									
	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development	Grants Fund	Non-major Governmental	Aquatic Park	Golf	Internal Service Funds	Total
Transfers out:										
Governmental:										
General Fund	$ -	$ 1,567,511	$ -	$ 487,102	$ 24,309	$ -	$ -	$ -	$ 167,737	$ 2,246,659
General Capital Projects	500,000	-	5,929	-	-	-	3,300	-	-	509,229
General Debt Service	171,790	-	-	-	-	-	-	-	19	171,809
Parks and Recreation Development	540,235	272,422	463,005	-	-	149,899	249,120	120,632	-	1,795,313
Grants Fund	36,414	-	-	-	-	3,326	-	-	-	39,740
Non-major Governmental	46,780	684,547	220,675	-	-	872,278	41,056	-	119,644	1,984,980
Subtotal governmental funds	1,295,219	2,524,480	689,609	487,102	24,309	1,025,503	293,476	120,632	287,400	6,747,730
Proprietary:										
Utility fund	3,972,610	1,403,918	-	-	-	-	-	-	175,000	5,551,528
Subtotal enterprise funds	3,972,610	1,403,918	-	-	-	-	-	-	175,000	5,551,528
Internal service funds	416,332	274,400	252,300	-	-	-	160,000	31,782	-	1,134,814
Total	$ 5,684,161	$ 4,202,798	$ 941,909	$ 487,102	$ 24,309	$ 1,025,503	$ 453,476	$ 152,414	$ 462,400	$ 13,434,072

Transfers are used to move resources between funds to provide sufficient resources to perform the expected services and functions for the year.

During fiscal year 2021, the City of North Richland Hills made one-time transfers. A total of $1,563,719 was transferred between various funds as result of closing old capital projects. These transfers reimbursed fund reserves for project related expenditures, which should have been charged against or reimbursed by designated bond issuances. These transfers included:

a. General Fund received $171,790 transferred from Debt Service fund;
b. Non-major Governmental funds received $149,899 from the Parks and Recreation Development fund and $872,278 from other Non-major Governmental funds;
c. Aquatic Park fund received $249,120 from the Parks and Recreation Development fund;
d. Golf Course fund received $120,632 from the Parks and Recreation Development fund.

Note III - Detailed Notes on all Funds (continued)

E. Long-term debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets such as streets, drainage structures, and municipal facilities, as well as for the purpose of refunding a portion of its outstanding debt.

In prior year, the government defeased certificate of obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At September 30, 2021, the City did not have any defeased bonds outstanding.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	2.00 - 5.50%	$ 65,385,000
Business-type activities	2.00 - 5.00%	3,060,000
		$ 68,445,000

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	$ 6,280,000	$ 2,036,433	$ 520,000	$ 99,975
2023	5,850,000	1,746,896	515,000	83,100
2024	5,600,000	1,563,383	395,000	69,325
2025	5,340,000	1,398,751	395,000	56,775
2026	5,325,000	1,242,687	385,000	43,238
2027	4,730,000	1,079,165	330,000	29,300
2028	4,635,000	911,499	295,000	15,675
2029	4,430,000	748,490	210,000	5,025
2030	4,155,000	593,235	15,000	375
2031	3,785,000	451,916	-	-
2032	3,690,000	329,831	-	-
2033	2,395,000	238,469	-	-
2034	1,905,000	175,219	-	-
2035	1,075,000	136,300	-	-
2036	1,075,000	114,300	-	-
2037	1,070,000	92,350	-	-
2038	1,070,000	70,450	-	-
2039	1,045,000	49,050	-	-
2040	1,045,000	28,150	-	-
2041	885,000	8,850	-	-
	$ 65,385,000	$ 13,015,424	$ 3,060,000	$ 402,788

Note III - Detailed Notes on all Funds (continued)

E. Long-term debt (continued)

Private placement general obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	2.00 - 5.50%	$ 565,000
Business-type activities	2.00 - 5.00%	120,000
		$ 685,000

Annual debt service requirements to maturity for private placement general obligation bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	$ 265,000	$ 9,904	$ 20,000	$ 2,519
2023	65,000	6,126	20,000	2,061
2024	60,000	4,695	20,000	1,603
2025	60,000	3,321	20,000	1,145
2026	60,000	1,947	20,000	687
2027	55,000	630	20,000	229
	$ 565,000	$ 26,623	$ 120,000	$ 8,244

Certificates of Obligation

The City also issues certificates of obligation ("CO's") to finance the acquisition and construction of capital assets including certain capital improvement projects, municipal facilities, and machinery and equipment. The bonds are generally issued as 20-year serial bonds with equal amounts of principal maturing each year.

Certificates of Obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	1.25 - 5.00%	$ 41,040,000
Business-type activities	1.25 - 5.00%	19,625,000
		$ 60,665,000

Note III - Detailed Notes on all Funds (continued)

E. Long-term debt (continued)

Annual debt service requirements to maturity for certificates of obligation of the primary government are as follows:

Year Ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2022	$ 4,385,000	$ 1,587,377	$ 1,405,000	$ 650,044
2023	4,380,000	1,417,525	1,365,000	602,479
2024	4,040,000	1,253,304	1,365,000	557,842
2025	3,985,000	1,092,997	1,305,000	511,738
2026	3,935,000	930,453	1,300,000	464,605
2027	3,860,000	766,530	1,300,000	415,723
2028	2,565,000	624,730	1,300,000	364,998
2029	2,135,000	518,780	1,300,000	316,122
2030	2,025,000	428,354	1,300,000	272,150
2031	2,020,000	341,213	1,285,000	231,037
2032	1,875,000	258,475	1,175,000	191,823
2033	1,875,000	179,891	915,000	158,329
2034	1,870,000	101,097	915,000	128,465
2035	565,000	53,125	880,000	98,865
2036	565,000	35,772	875,000	69,679
2037	515,000	19,181	650,000	44,097
2038	230,000	7,903	640,000	22,025
2039	115,000	3,225	350,000	5,469
2040	100,000	1,000	-	-
	$ 41,040,000	$ 9,620,932	$ 19,625,000	$ 5,105,490

Special Assessment Bonds – City Point Improvement District (TIF #3)

In fiscal year 2021, the City issued Special Assessment Revenue Bonds, Series 2019 (City Point Public Improvement District Improvement Zone A Project) in the amount of $2,615,000 and Special Assessment Revenue Bonds, Series 2019 (City Point Public Improvement District Improvement Zone B Project) in the amount of $8,965,000. The City Point Public Improvement District (the "District" was created for the purpose of undertaking and financing certain public improvements within the district as authorized by the PID Act and approved by the City Council. The City will pay the project costs for the improvement within Zone A and Zone B from proceeds of the corresponding bonds.

Special assessment bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	4.50 - 5.63%	$ 11,375,000

Note III - Detailed Notes on all Funds (continued)

E. Long-term debt (continued)

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2022	$ 225,000	$ 599,888
2023	230,000	589,463
2024	245,000	578,813
2025	250,000	567,469
2026	265,000	555,900
2027	275,000	542,625
2028	295,000	528,844
2029	310,000	514,069
2030	320,000	498,525
2031	340,000	482,494
2032	350,000	464,175
2033	375,000	445,313
2034	395,000	425,101
2035	420,000	403,800
2036	440,000	381,150
2037	460,000	357,413
2038	490,000	332,588
2039	520,000	306,132
2040	550,000	278,044
2041	355,000	248,325
2042	380,000	229,244
2043	395,000	208,819
2044	420,000	187,588
2045	440,000	165,013
2046	470,000	141,363
2047	495,000	116,100
2048	525,000	89,494
2049	555,000	61,275
2050	585,000	31,444
	$ 11,375,000	$ 10,330,471

Capital Leases

The Golf Fund entered into a lease agreement as lessee in fiscal year 2020 for the financing the acquisition of golf cart equipment originally valued at $312,851. The equipment has a five year estimated useful life with a remaining net book value of $232,784. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 was $232,784.

Note III - Detailed Notes on all Funds (continued)

E. Long-term debt (continued)

Annual lease payments for the capital lease are as follows:

Year Ending September 30,		
2022	$	77,267
2023		79,895
2024		75,622
Total Minimum Lease Payments	$	232,784

Long-term liability activity for the year ended September 30, 2021, is reflected in the following tables.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	$ 53,150,000	$ 18,275,000	$ (6,040,000)	$ 65,385,000	$ 6,280,000
General obligation bonds - Private placement	835,000	-	(270,000)	565,000	265,000
Certificates of obligation	45,910,000	-	(4,870,000)	41,040,000	4,385,000
Special assessment bonds	11,580,000	-	(205,000)	11,375,000	225,000
Premium on bond issues	5,722,054	1,418,470	(589,927)	6,550,597	-
Compensated absences	3,484,252	676,467	(550,177)	3,610,542	703,372
Total Governmental Activities	$ 120,681,306	$ 20,369,937	$ (12,525,104)	$ 128,526,139	$ 11,858,372
Business-type Activities:					
Bonds payable:					
General obligation bonds	$ 3,590,000	$ -	$ (530,000)	$ 3,060,000	$ 520,000
General obligation bonds - Private placement	140,000	-	(20,000)	120,000	20,000
Certificates of obligation	20,095,000	875,000	(1,345,000)	19,625,000	1,405,000
Capital lease	307,509	-	(75,498)	232,011	77,267
Premium on bond issues	896,450	-	(38,043)	858,407	-
Compensated absences	453,002	101,385	(93,855)	460,532	107,115
Total Business-type Activities	$ 25,481,961	$ 976,385	$ (2,102,396)	$ 24,355,950	$ 2,129,382

Current Year Debt Issuances

In April 2021, the City issued Series 2021 General Obligation Bonds in the amount of $18,275,000. The bonds were issued at a premium of $1,418,470 and mature in fiscal year 2041 with interest rates ranging from 2.0% to 4.0%. The proceeds of the sale were used to fund projects approved in the 2020 General Obligation Bond Referendum passed by the voters in November 2020. Included in this issuance is a refunding of $255,000 in outstanding bonds which will yield an economic gain of $10,059.

In April 2021, the City issued Series 2021 Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation in the amount of $875,000. The certificates were sold in a private placement and mature in fiscal year 2036 with an interest rate of 1.57%. The proceeds of the sale were used to fund the College Hills Ground Storage Tank Rehabilitation utility project.

Note IV - Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. While the City has historically retained a portion of these risks, coverage exists for: general, employment practice, law enforcement, and errors and omissions liability; excess workers' compensation; property damage; commercial crime coverage; and employee life insurance. Premiums are paid into the self-insurance internal service fund by all other participating funds and are available to pay claims, claim reserves, and administrative costs of the program.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for health and dental as well as workers' compensation claims that have been incurred but not reported ("IBNR"). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. An excess coverage medical insurance policy covers individual claims in excess of $175,000 and/or $10,386,756 in the aggregate for a 12-month period beginning on January 1, 2021. Changes in the balances of claims liabilities during the past two years are as follows:

	2021	2020
Unpaid claims, beginning of year	$ 1,086,125	$ 1,258,714
Incurred claims (including IBNR)	9,562,425	9,205,107
Claim expense	(9,519,220)	(9,377,696)
Unpaid claims, end of year	$ 1,129,330	$ 1,086,125

B. Contingent Liabilities

The City is a defendant in certain lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Postemployment Benefits

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan is administered by Public Employees Benefit Services Corporation. In 1998, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and tax law, the City has amended its trust agreements which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities of the Plan in these basic financial statements.

Note IV - Other Information (continued)

C. Postemployment Benefits (continued)

Retiree Healthcare Plan

Plan Description - The City of North Richland Hills Retired Employees Healthcare Plan ("NRHREHP") is a single-employer defined benefit healthcare plan and is self-administered through an internal oversight committee (appointed by the City Manager through conveyed authority from City Council). NRHREHP provides medical, prescription, and dental insurance benefits to eligible retirees and their spouses. City council is the authoritative body granting health care benefits for both active and retired employees. The City provides postretirement health and dental care benefits for retirees and their dependents. The City does not have a separate audited generally accepted accounting principles financial report for the retiree health plan.

Benefits Provided – Full-time employees of the City who meet the City's requirements are eligible to participate in the retiree health care plan. Upon terminating from active service, employees must have separated in "good standing", be eligible to retire under the Texas Municipal Retirement System (age 60 with 5 years of service or 20 years of service at any age) with the declared intent to begin to receive an annuity check from TMRS, and must have been covered under the City's health plan on the retiree's last day of active employment. Reduced premium rates for medical and dental coverage are offered to eligible retirees that have attained age 55 at retirement and meet one of the following plan rules:

Plan Rule	Multiplier
90 Plan	1.00
85 Plan	1.25
80 Plan	1.50
Access Plan	1.75

To be eligible for the 90 Plan, 85 Plan or 80 Plan, retirees must have attained the applicable combined number of years of service plus age at time of retirement. To be eligible for the Access Plan, retirees must have attained age 60 with at least 10 years of service. Service requirements are based on continuous service with the City of North Richland Hills. Pre-65 medical premiums for 90 Plan retirees will be set to 20% of the total cost. Dental premiums for 90 Plan retirees are also reduced. For retirees that meet one of the other Plan Rules, applicable multiplier is applied to the premium rates for 90 Plan retirees. Medical coverage through the City's pre-65 health plan ceases when retirees/spouses become eligible for Medicare benefits. Vision benefits are available to retirees through a fully insured plan in which retirees pay 100% of the vision premiums. The City does not provide life insurance coverage for retirees or their dependents.

At December 31, 2020, valuation and measurement date, the following employees were covered by the benefit terms:

Membership	
Retirees and beneficiaries	190
Inactive, nonretired members	-
Active members	559
Total	749

Note IV - Other Information (continued)

C. Postemployment Benefits (continued)

Contributions - The contribution requirements of plan members and the City are established and may be amended by the City Council members. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund. For plan year 2020, the City contributed a total of $1,535,968 to the plan for benefit payments, which was for health insurance benefit payments.

Net OPEB Liability - The City's net OPEB liability ("NOL") was measured as of December 31, 2020 and the total OPEB liability ("TOL") used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The TOL in the actuarial valuation was based on an actuarial valuation performed as of December 31, 2019 and rolled forward to a measurement date of December 31, 2020. The following are the actuarial assumptions:

Valuation Date:	December 31, 2019
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age Normal
Single Discount Rate	2.62% as of December 31, 2020
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.50% after 15 years; Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 14 years
Participation Rates	85% for retirees meeting eligibility requirements for the 90 Plan; 75% for retirees meeting eligibility requirements for the 85 Plan; 60% for retirees meeting eligibility requirements for the 80 Plan; 60% for retirees meeting eligibility requirements for the Access Plan; 0% for retirees who are not eligible for any of the Plan Rules
Other Information:	The Single Discount Rate changed from 3.28% as of December 31, 2019 to 2.62% as of December 31, 2020. The Single Discount Rate was 4.08% prior to December 31, 2019. Additionally, in 2020 the long-term expected rate of investment return was lowered from 6.50% to 6.25%, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to reflect the plan's anticipated experience and the repeal of the "Cadillac Tax".

Discount Rate - Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.25%; the municipal bond rate is 2.00%; and the resulting Single Discount Rate is 2.62%.

Basis of Allocation - OPEB items are allocated between governmental activities and business-type activities on the basis of employee payroll funding. For the year ended September 30, 2021, those percentages were 90% and 10%, respectively, which approximated the prior year's allocations.

Note IV - Other Information (continued)

C. Postemployment Benefits (continued)

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2019	$ 35,977,157	$ 2,257,506	$ 33,719,651
Service cost	1,181,994	-	1,181,994
Interest	1,175,886	-	1,175,886
Difference between expected and actual experience	(739,254)	-	(739,254)
Changes of assumptions	2,282,881	-	2,282,881
Contributions - employer	-	1,535,968	(1,535,968)
Net investment income	-	310,555	(310,555)
Benefits payments, including refunds of employee contributions	(1,435,968)	(1,435,968)	-
Administrative expense	-	(13,443)	13,443
Net changes	2,465,539	397,112	2,068,427
Balance at December 31, 2020	$ 38,442,696	$ 2,654,618	$ 35,788,078

Changes of assumptions reflect a change in the Single Discount Rate from 3.28% as of December 31, 2019 to 2.62% as of December 31, 2020. Consistent with the requirements of GASB Statements No. 74 and No. 75, employer contributions include "amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets." The employer contributions of $1,535,968 consists of a trust contribution of $100,000 and benefit payments of $1,377,599, which were paid by the City using its own assets.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.62%, as well as what the City's net OPEB liability would be if it were calculate using a discount rate that is 1-percentage-point lower or 1-percentage higher than the current rate:

	1% Decrease in Discount Rate (1.62%)	Discount Rate (2.62%)	1% Increase in Discount Rate (3.62%)
City's Net OPEB Liability	$ 39,657,034	$ 35,788,078	$ 32,404,907

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate, as well as what the City's net OPEB liability would be if it were calculate using a trend rate that is 1-percentage-point lower or 1-percentage higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's Net OPEB Liability	$ 31,431,073	$ 35,788,078	$ 41,080,299

Note IV - Other Information (continued)

C. Postemployment Benefits (continued)

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB's plan Fiduciary Net Position is available in the basic financial statements section of the City of North Richland Hills Annual comprehensive financial report for the year-ended September 30, 2021.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized an OPEB expense of $1,071,182.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in assumption changes	$ 2,658,311	$ (891,486)
Differences between expected and actual experience	-	(7,824,973)
Contributions subsequent to the measurement date	865,448	-
	$ 3,523,759	$ (8,716,459)

$865,448 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30,	Amount
2022	$ (1,156,340)
2023	(1,134,305)
2024	(1,174,592)
2025	(1,168,595)
2026	(1,087,115)
Thereafter	(337,201)
	$ (6,058,148)

Note IV - Other Information (continued)

D. Employee Retirement System and Pension Plan

Plan Description

The City of North Richland Hills participates as one of 883 plans in the nontraditional, joint contributory, hybrid agent multiple-employer defined benefit pension plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues an annual comprehensive financial report ("ACFR") available to the public that can be obtained at www.tmrs.org.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options.

Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of member's deposits and interest.

Benefits depend upon the sum of the employees' contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% and 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit. An updated service credit is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the City Council, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Note IV - Other Information (continued)

D. Employee Retirement System and Pension Plan (continued)

As the December 31, 2020, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	430
Inactive employees entitled to but not yet receiving benefits	321
Active employees	544
	1,295

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal ("EAN") actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.34% and 16.83% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were $6,384,064, and were equal to the required contributions.

Net Pension Liability

The City's net pension liability ("NPL") was measured as of December 31, 2020, and the total pension liability ("TPL") used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	10 Years smoothed market; 12% soft corridor
Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females.

Note IV - Other Information (continued)

D. Employee Retirement System and Pension Plan (continued)

In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2020, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The long-term expected rate of return on pension plan investment was determined using a building-block method in which best estimate ranges of expend future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note IV - Other Information (continued)

D. Employee Retirement System and Pension Plan (continued)

Basis of Allocation

Pension items are allocated between governmental activities and business-type activities on the basis of employee payroll funding. For the year ended September 30, 2021, those percentages were 88% and 12%, respectively, which approximated the prior year's allocations.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2019	$ 271,768,677	$ 250,989,877	$ 20,778,800
Changes for the year:			
Service cost	6,818,264	-	6,818,264
Interest	18,175,404	-	18,175,404
Difference between expected and actual experience	(58,137)	-	(58,137)
Contributions - employer	-	6,081,331	(6,081,331)
Contributions - employee	-	2,605,232	(2,605,232)
Net investment income	-	19,045,720	(19,045,720)
Benefits payments, including refunds of employee contributions	(11,825,125)	(11,825,125)	-
Administrative expense	-	(123,279)	123,279
Other changes	-	(4,810)	4,810
Net changes	13,110,406	15,779,069	(2,668,663)
Balance at December 31, 2020	$ 284,879,083	$ 266,768,946	$ 18,110,137

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculate using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	$ 58,619,518	$ 18,110,137	$ (15,108,913)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately- issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Note IV - Other Information (continued)

D. Employee Retirement System and Pension Plan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized pension expense of $2,815,177.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ (7,070,911)
Difference in assumption changes	227,227	-
Differences between expected and actual experience	518,374	(213,981)
Contributions subsequent to the measurement date	4,915,478	-
	$ 5,661,079	$ (7,284,892)

$4,915,478 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
2022	$ (2,419,242)
2023	434,887
2024	(4,126,684)
2025	(428,252)
	$ (6,539,291)

E. Tax Incentive Rebates

The City of North Richland Hills has four (4) active Commercial Development and Job-Related Incentive Rebates that develop or redevelop a particular property attracting business that generates incremental tax revenues. One of the agreements reached the end of its term and was closed out in December 2019. The agreements are subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution.

As part of the agreement, the City agrees to rebate the tax valorem tax increment and the local sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreement, a claw-back provision for default on agreement is included in the agreement and the business agrees return a percentage of the rebate back to the City. Total rebate of taxes for fiscal year 2021 was $235,600.

Note IV - Other Information (continued)

F. Implementation of New Accounting Standards

GASB Statement No. 84 *Fiduciary Activities* was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The City has determined that this Statement does not have an effect on the financial statements as of September 30, 2021.

GASB Statement No. 90 *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The City has determined that this Statement does not have an effect on the financial statements as of September 30, 2021.

GASB Statement No. 98 *The Annual Comprehensive Financial Report* was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The City has implemented this statement in fiscal year 2021.

G. COVID 19

The full extent of the ongoing impact of COVID-19 on the City's 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies related to COVID-19, the duration of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

H. Subsequent Events

In November 2021, the Board of TIF #1/#1A recommended to the City Council to proceed with closure of the TIF and the subsequent distribution of funds. The outstanding debt of the TIF has been paid in full and no further projects were foreseen. Following formal closure of the TIF, the remaining funds will be disbursed to the participating entities.

In January 2022, the Board of TIF # 2 recommend to the City Council to proceed with closure of the TIF. The outstanding debt of the TIF was defeased in March 2022 and no further projects are foreseen. Following formal closure of the TIF, the remaining funds will be disbursed to the participating entities.

I. Prior Period Adjustments

There were two prior period adjustments identified during fiscal year 2021 during the financial software system conversion and implementation process. The first adjustment was related to the recording of capital assets originally as Utility fund capital assets, but should have been Golf Course capital assets. The second adjustment was related to recording debt proceeds for the Utility fund related to the 2021 Certificates of Obligation.

	Utility Fund	Golf Fund
Net position as of September 30, 2020 as previously reported	$ 73,265,522	$ 2,569,737
Transfer of capital assets not previously reported	(3,333,846)	3,333,846
Series 2021 debt proceeds	875,000	-
Net position as of September 30, 2020 as restated	$ 70,806,676	$ 5,903,583

J. Deficit Fund Balance

The Grants Fund had a deficit fund balance of $25,398 as of September 30, 2021 due to certain projects being funded out of this special revenue fund prior to the official notice of grant award. The deficit will be replenished in the future with grant funds. If grant funds are not awarded, the deficit will be replenished by the General Fund.

NRH

Required Supplementary Information

NRH Public Works street division crews replace a section along a residential street. In 2020, the Street Division resurfaced approximately 7 miles of residential streets. Additionally, the Street Division excavated and patched over 66,859 square feet of asphalt pavement and sealed approximately 29 miles of pavement.

In 2021, the Street Division resurfaced approximately 4.84 miles of residential streets. Additionally, the Street Division excavated and patched over 27,015 square feet of asphalt pavement and sealed approximately 22 miles of pavement.

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

For the Last Seven Measurement Years

	Measurement Year December 31,						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total Pension Liability							
Service cost	$ 6,818,264	$ 6,689,567	$ 6,406,497	$ 6,191,617	$ 5,991,326	$ 5,732,122	$ 5,572,383
Interest (on the total pension liability)	18,175,404	17,239,979	16,482,949	15,687,433	14,990,680	14,861,355	14,176,755
Difference between expected and actual experience	(58,137)	767,788	(455,398)	523,226	(1,803,452)	(1,819,900)	(1,880,743)
Change of assumptions	-	409,737	-	-	-	(452,493)	-
Benefit payments, including refunds of employee contributions	(11,825,125)	(10,801,408)	(11,919,243)	(9,529,337)	(8,383,529)	(8,959,709)	(7,376,810)
Net Change in Total Pension Liability	13,110,406	14,305,663	10,514,805	12,872,939	10,795,025	9,361,375	10,491,585
Total Pension Liability - Beginning	271,768,677	257,463,014	246,948,209	234,075,270	223,280,245	213,918,870	203,427,285
Total Pension Liability - Ending (a)	$ 284,879,083	$ 271,768,677	$ 257,463,014	$ 246,948,209	$ 234,075,270	$ 223,280,245	$ 213,918,870
Plan Fiduciary Net Position							
Contributions - employer	$ 6,081,331	$ 6,008,691	$ 5,737,359	$ 5,623,410	$ 5,409,161	$ 5,468,306	$ 5,636,415
Contributions - employee	2,605,232	2,604,392	2,491,416	2,410,529	2,328,666	2,280,541	2,236,673
Net investment income	19,045,720	33,921,847	(6,894,711)	28,219,967	12,939,363	284,162	10,400,524
Benefit payments, including refunds of employee contributions	(11,825,125)	(10,801,408)	(11,919,243)	(9,529,337)	(8,383,529)	(8,959,709)	(7,376,810)
Administrative expense	(123,279)	(191,704)	(133,257)	(146,245)	(146,139)	(173,081)	(108,580)
Other	(4,810)	(5,759)	(6,962)	(7,411)	(7,874)	(8,547)	(8,929)
Net Change in Plan Fiduciary Net Position	15,779,069	31,536,059	(10,725,398)	26,570,913	12,139,648	(1,108,328)	10,779,293
Plan Fiduciary Net Position - Beginning	250,989,877	219,453,818	230,179,216	203,608,303	191,468,655	192,576,983	181,797,690
Plan Fiduciary Net Position - Ending (b)	$ 266,768,946	$ 250,989,877	$ 219,453,818	$ 230,179,216	$ 203,608,303	$ 191,468,655	$ 192,576,983
Net Pension Liability - Ending (a) - (b)	$ 18,110,137	$ 20,778,800	$ 38,009,196	$ 16,768,993	$ 30,466,967	$ 31,811,590	$ 21,341,887
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.64%	92.35%	85.24%	93.21%	86.98%	85.75%	90.02%
Covered Payroll	$ 37,217,597	$ 37,205,542	$ 35,591,651	$ 34,436,087	$ 33,266,663	$ 32,568,873	$ 31,952,469
Net Pension Liability as a Percentage of Covered Payroll	48.66%	55.85%	106.79%	48.70%	91.58%	97.67%	66.79%

Changes in assumptions: In the 2015 valuation, the investment rate of return decreased from 7.0% to 6.75%, the discount rate decreased from 7.0% to 6.75%, and the inflation rate decreased from 3.0% to 2.5%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN
SCHEDULE OF PENSION CONTRIBUTIONS
For the Last Seven Fiscal Years

	Fiscal Year						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 6,384,064	$ 6,318,501	$ 5,905,942	$ 5,727,471	$ 5,559,812	$ 5,417,111	$ 5,528,987
Contributions in relation to the actuarially determined contribution	6,384,064	6,318,501	5,905,942	5,727,471	5,559,812	5,417,111	5,528,987
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 38,194,320	$ 38,791,732	$ 36,587,770	$ 35,403,126	$ 34,086,933	$ 33,017,098	$ 32,471,592
Contributions as a percentage of covered payroll	16.71%	16.29%	16.14%	16.18%	16.31%	16.41%	17.03%

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	10 Year Smoothed Market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuantto an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with Public Safety table used for males and the General Employee table used for females.Rates projected on fully generational basis with scale UMP.

Other Information: There were no benefit changes during the year.

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
NORTH RICHLAND HILLS RETIRED EMPLOYEES HEALTHCARE PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Last Four Measurement Years

	Measurement Year December 31,			
	2020	**2019**	**2018**	**2017**
Total OPEB Liability				
Service cost	$ 1,181,994	$ 1,415,009	$ 1,380,982	$ 3,033,865
Interest on the total OPEB liability	1,175,886	1,748,613	1,612,101	2,939,073
Changes of benefit terms	-	-	-	(36,006,639)
Difference between expected and actual experience	(739,254)	(9,119,458)	(424,223)	-
Change of assumptions	2,282,881	471,134	(1,473,549)	678,308
Benefit payments	(1,435,968)	(1,377,599)	(2,036,450)	(2,192,748)
Net Change in Total OPEB Liability	2,465,539	(6,862,301)	(941,139)	(31,548,141)
Total OPEB Liability - Beginning	35,977,157	42,839,458	43,780,597	75,328,738
Total OPEB Liability - Ending (a)	$ 38,442,696	$ 35,977,157	$ 42,839,458	$ 43,780,597
Plan Fiduciary Net Position				
Contributions - employer	$ 1,535,968	$ 1,477,599	$ 2,136,450	$ 2,292,748
Net investment income	310,555	333,159	(79,800)	212,194
Benefit payments	(1,435,968)	(1,377,599)	(2,036,450)	(2,192,748)
Administrative expense	(13,443)	(11,962)	(10,939)	(8,770)
Net Change in Plan Fiduciary Net Position	397,112	421,197	9,261	303,424
Plan Fiduciary Net Position - Beginning	2,257,506	1,836,309	1,827,048	1,523,624
Plan Fiduciary Net Position - Ending (b)	$ 2,654,618	$ 2,257,506	$ 1,836,309	$ 1,827,048
Net OPEB Liability - Ending (a) - (b)	$ 35,788,078	$ 33,719,651	$ 41,003,149	$ 41,953,549
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	6.91%	6.27%	4.29%	4.17%
Covered Payroll	$ 37,205,602	$ 37,205,602	$ 34,555,433	$ 33,455,733
Net OPEB Liability as a Percentage of Covered Payroll	96.19%	90.63%	118.66%	125.40%

Changes of assumptions reflect a change in the Single Discount Rate from 4.08% as of December 31, 2018 to 3.28% as of December 31, 2019.

Consistent with the requirements of GASB Statement No. 74, the employer contributions include "amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets." The employer contributions shown above include trust contributions of $100,000 and benefit payments of $1,377,599, which were paid by the City using its own assets.

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Property taxes (penalties & interest included)	$ 20,660,880	$ 20,705,680	$ 21,335,747	$ 630,067
City sales taxes	10,432,023	11,305,018	11,991,880	686,862
Mixed beverage taxes	143,746	135,000	128,889	(6,111)
Franchise taxes	4,779,911	4,590,332	4,529,352	(60,980)
Sub-total taxes	36,016,560	36,736,030	37,985,868	1,249,838
Fines and forfeitures	2,079,923	2,057,977	2,005,047	(52,930)
Licenses and permits	2,389,377	2,501,619	3,254,498	752,879
Charges for services	2,506,203	2,506,086	2,672,725	166,639
Intergovernmental (includes CARES Act funding)	5,263,880	5,289,830	5,245,249	(44,581)
Miscellaneous	1,735,863	1,767,547	1,825,709	58,162
Sub-total non-tax revenues	13,975,246	14,123,059	15,003,229	880,170
Other appropriations				
Court technology fund	57,063	57,063	-	(57,063)
PEG fees	-	40,151	-	(40,151)
General Fund Reserves	-	3,043,269	-	(3,043,269)
Sub-total other appropriations	57,063	3,140,483	-	(3,140,483)
Total Revenues	50,048,869	53,999,572	52,989,097	(1,010,475)
Expenditures				
City council	133,893	133,893	63,364	70,529
City manager	765,874	766,315	759,480	6,835
Communications	401,039	441,896	392,745	49,151
City secretary	488,120	492,144	453,789	38,355
Legal	440,345	440,698	424,273	16,425
Human resources	148,194	150,476	139,555	10,921
Finance	752,234	776,737	775,602	1,135
Budget and research	427,066	427,154	407,582	19,572
Municipal court	1,404,954	1,408,943	1,337,167	71,776
Planning and inspections	1,332,515	1,355,459	1,291,602	63,857
Economic development	354,587	355,073	346,529	8,544
Library	2,261,062	2,263,359	2,189,693	73,666
Neighborhood services	2,084,010	2,086,051	2,036,093	49,958
Public works	3,254,551	3,271,730	2,963,870	307,860
Parks and recreation	1,963,858	1,952,380	1,890,865	61,515
Police	16,192,094	16,417,932	16,322,074	95,858
Fire	14,324,044	14,420,858	14,144,935	275,923
Building services	812,101	812,101	812,101	-
Non-departmental	1,161,132	1,318,014	1,271,785	46,229
Sub-total departments	48,701,673	49,291,213	48,023,104	1,268,109
Other & Reserves				
Operational transfers	149,144	217,737	217,737	-
Capital project transfers	1,050,000	4,417,511	4,363,900	53,611
Reserves	148,052	73,111	-	73,111
Sub-total other & reserves	1,347,196	4,708,359	4,581,637	126,722
Total Expenditures	50,048,869	53,999,572	52,604,741	1,394,831
Net Increase (Decrease)	$ -	$ -	384,356	$ 384,356
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			140,755	
Miscellaneous			(239,112)	
Net change in fund balance (deficit) - GAAP			$ 285,999	

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PARKS AND RECREATION DEVELOPMENT CORPORATION FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax	$ 5,216,013	$ 5,652,593	$ 5,995,942	$ 343,349
Interest income	112,800	181,650	209,796	28,146
Youth assn. maintenance fees	35,500	21,800	16,144	(5,656)
Tennis center revenue	405,100	457,150	503,555	46,405
Park impact fees	95,000	140,000	107,425	(32,575)
Other income	12,696	19,746	47,109	27,363
Appropriation of Reserves / PY Encumbrances	348,000	912,407	-	(912,407)
Subtotal PARD revenues (excluding NRH Centre)	6,225,109	7,385,346	6,879,971	(505,375)
NRH Centre:				
Memberships/drop-in passes	1,420,000	900,000	1,067,647	167,647
Fitness	500,000	221,800	214,254	(7,546)
Recreation/sports	353,000	198,200	329,907	131,707
Grand hall rental	423,900	252,820	286,668	33,848
Catering & event fees	26,100	10,000	9,457	(543)
Aquatic programs	255,000	93,000	134,268	41,268
Pool rental	3,000	10,696	11,641	945
Gym rental	12,000	4,000	2,190	(1,810)
Concessions/merchandise	27,000	10,500	15,838	5,338
Other	25,000	22,920	2,493	(20,427)
General fund	487,102	487,102	487,102	-
Subtotal NRH Centre revenues (only)	3,532,102	2,211,038	2,561,465	350,427
Total Revenues	9,757,211	9,596,384	9,441,436	(154,948)
Expenditures				
Operating:				
Park facilities development administration	802,369	803,111	770,504	32,607
Parks & public grounds, Athletic program services	2,318,906	2,396,035	2,257,335	138,700
Tennis center operations	580,643	567,303	597,342	(30,039)
Sub-total operating	3,701,918	3,766,449	3,625,181	141,268
NRH Centre:				
Center management	792,372	805,421	795,370	10,051
Fitness	403,333	287,944	311,100	(23,156)
Building operations	226,658	244,160	244,883	(723)
Aquatic	666,934	653,753	676,536	(22,783)
Recreation sports	321,491	212,147	199,932	12,215
Event center	404,343	290,631	232,314	58,317
Building services	276,414	276,414	276,414	-
Sub-total NRH Centre	3,091,545	2,770,470	2,736,549	33,921
Other & Reserves				
Debt service - CO's	463,005	463,005	463,005	-
Indirect costs	497,487	510,462	485,987	24,475
Non-department	58,409	52,224	44,702	7,522
Reserve for capital	689,000	889,000	689,000	200,000
Reserve for economic development	130,400	141,314	149,899	(8,585)
Reserve for Impact Fees	95,000	140,000	107,425	32,575
Reserve for PARD	1,030,447	863,460	-	863,460
Sub-total other & reserves	2,963,748	3,059,465	1,940,018	1,119,447
Total Expenditures	9,757,211	9,596,384	8,301,748	1,294,636
Net Increase (Decrease)	$ -	$ -	1,139,688	$ 1,139,688
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(37,908)	
Accruals due to accounts payable and expenditures			485,987	
Transfers in/out			(220,987)	
Miscellaneous			(150,298)	
Net change in fund balance (deficit) - GAAP			$ 1,216,482	

Note A - Budgetary Information

Annual budgets are adopted on a modified cash basis for the following: General, General Debt Service, Promotional, Donations, Special Investigations, Drainage Utility, Parks and Recreation Development, Crime Control District, Gas Development, Traffic Safety, Utility, Aquatic Park, Golf, Facilities and Construction, Fleet Services, Self-Insurance, and Information Technology. The General Capital Projects Fund and Grants Fund adopt project-length budgets.

Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of an ordinance.

The appropriated budget is prepared by fund, department, and division. The City Manager is authorized to make inter-departmental and inter-fund transfers during the fiscal year as deemed necessary in order to avoid over-expenditure of particular accounts. After the budget is adopted, the City Manager is not allowed to authorize any expenditure that exceeds total funds in the overall budget without amending the budget through City Council action. There are instances where transfers on the financial statements may not tie directly to the transfers as presented in supplemental information. As a result of management directive, city practice, or efforts to identify transfers more specifically by purpose, it is possible for individual transfers to be referenced by another title consistent with how the budget was developed by staff and adopted by Council. During the fiscal year City budget appropriations were increased by $5,010,950.

Note A - Budgetary Information (continued)

Legally Adopted Fund	Original	Final	Increase (Decrease)	Explanation
General Fund	$ 50,048,869	$ 53,999,572	$ 3,950,703	The majority of the increase resulted from an appropriation of FB in the amount of $2,850,000 to purchase two properties located in NRH. The remainder of the change resulted from the following: +$584,189 for prior year encumbrances; +$517,511 for funding for projects needed to respond to the Covid-19 Pandemic; +$18,593 increase to the transfer to the Info. Tech. fund; +$5,351 increase in revisions to budget as requested by departments. Offset by a reduction to General Fund reserves of -$11,409 and a reduction to the PEG reserves of -$13,532.
General Debt Service	12,229,400	12,222,495	(6,905)	There was a reduction to the actual interest payment for the fiscal year.
Parks and Recreation	9,757,211	9,596,384	(160,827)	There was a decrease of -$321,075 which resulted from a reduction in expenses to the NRH Centre in response to lower projected attendance as Covid-19 mitigation efforts were underway. This decrease was offset by an increase to transfers/reserves within the fund of $160,827 and an increase of $58,346 to the operating divisions.
Gas Development	322,600	473,453	150,853	The increase is due to funding being set aside as a planned contribution for reserves.
Promotional	276,808	381,669	104,861	The increase is due to funding being set aside as a planned contribution for reserves.
Donations	262,388	184,038	(78,350)	There was a decrease of -$79,350 to Parks & Recreation Programs related to the Covid-19 mitigation efforts being put in place. This was offset by an increase of $1,000 to the Neighborhood Services Program for miscellaneous supplies needed.
Special Investigations	267,300	288,420	21,120	There was an increase of $24,920 anticipated in Federal Forfeited Funds; a decrease of -$14,000 estimated in the receipt of State Forfeited Funds and an increase of $10,200 for AFIS Maintenance & Equipment needed which resulted in this net change.
Drainage Utility Fund	1,651,700	1,690,242	38,542	There was an increase to total Operating Expenditures of $5,100 and an increase of $33,442 for the Planned Contribution to Fund Balance.
Crime Control District	5,603,990	6,031,572	427,582	The increase was due to an anticipated contribution to Fund Balance of $389,738 and an increase to operating transfers within this fund of $12,975. There were also $24,869 for merit/market increase in various divisions within this fund.
TIF #3	-	13,104	13,104	Estimates for property tax from participating entities is $13,104 for the fiscal year.

Note A - Budgetary Information (continued)

Legally Adopted Fund	Original	Final	Increase (Decrease)	Explanation
Traffic Safety	$ 86,726	$ 56,911	$ (29,815)	The increase was due to an anticipated payment to the State of Texas of $17,282.
Utility	38,466,058	39,158,724	692,666	There was an increase of $1,063,748 for the planned contribution to fund balance. Offset by a decrease of -$347,489 related to an anticipated decrease in sewer purchase expenses, -$14,618 reduction to the debt service expense, -$8,914 overall reduction to bad debt expenses, and -$5,694 reduction to the anticipated franchise fee in proportion to water revenue sales. There was also an increase of $5,633 for anticipated merit/market adjustments.
Aquatic Park	4,292,723	4,184,992	(107,731)	-$181,532 in operation reductions were made in FY 20/21 due to a significant reduction in the facilities operating season offset by an increase of $73,801 for planed contributions to fund balance.
Golf	2,727,072	2,736,544	9,472	There was a $27,500 increase to the planned contribution to reserves offset by a reduction of -$18,028 in anticipated operating expenses.
Facilities and Construction	3,268,190	3,255,188	(13,002)	The increase in revenue is due to insurance recovery of $7,052 and increase in interest income of $5,248 with a reduction in appropriation of fund balance of $25,302 for a net decrease of total budget of $13,002.
Fleet Services	4,055,786	4,082,787	27,001	There was an increase of $164,608 for anticipated capital projects. This increase was offset by -$106,626 reduction to the planned contribution to fund balance, -$4,923 reduction to the debt service expense, and overall reduction of -$26,058 to operating expenditures.
Self-Insurance	15,904,795	15,607,795	(297,000)	There was a decrease of -$3,555,094 to anticipated health/medical and -$83,000 to workers compensation expenses. These reductions were offset by an increase of $3,200,000 for a planned contribution to fund balance, $138,094 increase for property, liability, and other insurance expenses and $3,000 for merit/market adjustments.
Information Technology	4,008,357	4,277,033	268,676	The increase is due to the inclusion of funding for prior year encumbrances of $199,826 and $68,850 in funding for various hardware/software/equipment purchases needed.
Total	$ 153,229,973	$ 158,240,923	$ 5,010,950	

Other Supplementary Information

The NRH Centre is North Richland Hills premier fitness, aquatics and activity center and is designed to be the Centre of your active, healthy and connected world. As Tarrant County's first LEED certified recreation center, the NRH Centre is built and operated using sustainable features to minimize its impact on the environment. The Centre includes indoor aquatics, fitness, gymnasium, a senior center, and the Grand Hall for events

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Promotional Fund accounts for the operations and expenditures for which hotel/motel occupancy taxes are used. Occupancy tax revenues are primarily to attract tourist and new businesses to the City.

The Donations Fund holds funds contributed (donated) to the City for special projects earmarked by requests or nonrecurring expenditures. It primarily collects and holds funds that are voluntarily given by the citizens via adding $1.50 to their water utility billing which is then distributed to support the activities of the library and neighborhood services departments.

The Special Investigations Fund is mandated by state statute to account for various legal seizure and forfeiture deposits and expenditures.

The Drainage Utility Fund accounts for the establishment of drainage facilities within the municipal boundaries of the City and the subsequent billing and collection of fees so established.

The Crime Control and Prevention District Fund accounts for the accumulation and use of half-cent sales tax proceeds dedicated for crime prevention and reduction programs.

The Economic Development Fund accounts for the accumulation and expenditure of resources designed to stimulate the local economy through development and redevelopment.

The Traffic Safety Fund accounts for funds collected from various red-light traffic safety cameras. These resources assist with funding of various traffic safety projects.

The Gas Development Fund accounts for the accumulation and expenditures of resources from gas drilling and exploration on City owned property.

CAPITAL PROJECTS FUND

Tax Increment Financing District #1 (TIF #1) Fund accounts for funds held for drainage improvements that alleviate flooding problems, reduce property damage associated with flooding, utility service line burial, and stimulate development for the benefit of citizens within TIF #1.

The City Point Development Project Fund accounts for public improvements funded by special assessment debt for the benefit of citizens within TIF #3.

Tax Increment Financing District #3 (TIF #3) Fund accounts for funds held for drainage improvements that alleviate flooding problems, reduce property damage associated with the flooding, and stimulate development for the benefit of citizens within TIF #3.

DEBT SERVICE FUNDS

The City Point Development Bond Fund is used to accumulate monies for the payment of principal, interest, and related charges on the special assessment bonds of TIF #3.

The Sales Tax Revenue Debt Service Fund is used to accumulate monies for the payment of principal, interest, and related charges on sales tax revenue bonds.

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Special Revenue				
	Promotional	Donations	Special Investigations	Drainage Utility	Crime Control District
Assets					
Cash and cash equivalents	$ 465,683	$ 422,266	$ 264,260	$ 1,575,502	$ 10,000
Investments	358,378	329,941	204,782	1,223,035	-
Receivables, net of allowance:					
Accounts	-	-	-	208,232	-
Other taxes receivable	90,214	-	-	-	1,092,097
Interest receivable	36	34	20	122	23
Other receivables	-	-	-	-	-
Assets limited to use:					
Cash and cash equivalents	-	-	-	-	680,696
Investments	-	-	-	-	233,230
Total Assets	$ 914,311	$ 752,241	$ 469,062	$ 3,006,891	$ 2,016,046
Liabilities					
Accounts payable	$ 88	$ 2,302	$ 619	$ -	$ 12,497
Accrued liabilities	1,969	-	-	-	56,058
Deposits and other liabilities	-	128	14,973	-	66
Total liabilities	2,057	2,430	15,592	-	68,621
Fund Balances					
Restricted:					
Crime control district	-	-	-	-	1,947,425
Debt service	-	-	-	-	-
Promotional & economic development	912,254	-	-	-	-
Public safety	-	-	453,470	-	-
Capital projects	-	-	-	-	-
Committed:					
Donations	-	749,811	-	-	-
Drainage Utility	-	-	-	3,006,891	-
Gas development	-	-	-	-	-
Total fund balances	912,254	749,811	453,470	3,006,891	1,947,425
Total liabilities, deferred inflows and fund balances	$ 914,311	$ 752,241	$ 469,062	$ 3,006,891	$ 2,016,046

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Special Revenue			Capital Projects	
	Economic Development	Traffic Safety	Gas Development	TIF #1 Fund	City Point Development Project Fund
Assets					
Cash and cash equivalents	$ 6,457	$ 421,225	$ 526,063	$ -	$ -
Investments	204,789	324,247	409,574	-	-
Receivables, net of allowance:					
Accounts	-	-	-	-	-
Other taxes receivable	-	-	-	-	-
Interest receivable	20	32	41	20	-
Other receivables	-	-	86,992	-	-
Assets limited to use:					
Cash and cash equivalents	258,037	-	-	-	4,019,357
Investments	-	-	-	175,774	-
Total Assets	$ 469,303	$ 745,504	$ 1,022,670	$ 175,794	$ 4,019,357
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	331	-	-	-
Deposits and other liabilities	-	214	-	-	-
Total liabilities	-	545	-	-	-
Fund Balances					
Restricted:					
Crime control district	-	-	-	-	-
Debt service	-	-	-	-	-
Promotional & economic development	469,303	-	-	175,794	-
Public safety	-	744,959	-	-	-
Capital projects	-	-	-	-	4,019,357
Committed:					
Donations	-	-	-	-	-
Drainage Utility	-	-	-	-	-
Gas development	-	-	1,022,670	-	-
Total fund balances	469,303	744,959	1,022,670	175,794	4,019,357
Total liabilities, deferred inflows and fund balances	$ 469,303	$ 745,504	$ 1,022,670	$ 175,794	$ 4,019,357

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Capital Projects	Debt Service		
	TIF #3 Fund	City Point Development Bond Fund	Sales Tax Revenue Bond	Total Non-major Governmental Funds
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ 3,691,456
Investments	-	-	-	3,054,746
Receivables, net of allowance:				
Accounts	-	-	-	208,232
Other taxes receivable	-	-	-	1,182,311
Interest receivable	-	-	-	348
Other receivables	-	-	-	86,992
Assets limited to use:				
Cash and cash equivalents	13,104	974,227	1,369	5,946,790
Investments	-	-	-	409,004
Total Assets	$ 13,104	$ 974,227	$ 1,369	$ 14,579,879
Liabilities				
Accounts payable	$ -	$ -	$ -	15,506
Accrued liabilities	-	-	-	58,358
Deposits and other liabilities	-	-	-	15,381
Total liabilities	-	-	-	89,245
Fund Balances				
Restricted:				
Crime control district	-	-	-	1,947,425
Debt service	-	974,227	1,369	975,596
Promotional & economic development	13,104	-	-	1,570,455
Public safety	-	-	-	1,198,429
Capital projects	-	-	-	4,019,357
Committed:				
Donations	-	-	-	749,811
Drainage Utility	-	-	-	3,006,891
Gas development	-	-	-	1,022,670
Total fund balances	13,104	974,227	1,369	14,490,634
Total liabilities, deferred inflows and fund balances	$ 13,104	$ 974,227	$ 1,369	$ 14,579,879

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Special Revenue				
	Promotional	Donations	Special Investigations	Drainage Utility	Crime Control District
Revenues					
Taxes	$ 313,649	$ -	$ -	$ -	$ 5,972,496
Charges for services	-	-	-	1,724,726	-
Gas utility leases and royalties	-	-	-	-	-
Contributions	-	167,365	-	-	-
Special assessments	-	-	-	-	-
Investment income (loss)	869	(4,791)	536	3,866	2,158
Intergovernmental	-	-	8,850	-	372,362
Forfeitures	-	-	126,593	-	-
Total revenues	314,518	162,574	135,979	1,728,592	6,347,016
Expenditures					
General government	124,336	21,397	-	-	-
Public safety	-	1,721	101,197	-	5,280,498
Culture and recreation	77,165	56,706	-	-	-
Public works	-	-	-	22,724	-
Capital outlay:					
General government	120	-	-	-	-
Public safety	-	-	14,076	-	173,649
Public works	-	-	-	34,790	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	201,621	79,824	115,273	57,514	5,454,147
Excess (deficiency) of revenues over expenditures	112,897	82,750	20,706	1,671,078	892,869
Other Financing Sources (Uses)					
Transfers in	-	3,326	-	-	-
Transfers out	-	(30,632)	-	(670,675)	(16,780)
Total other financing sources (uses)	-	(27,306)	-	(670,675)	(16,780)
Net change in fund balances	112,897	55,444	20,706	1,000,403	876,089
Fund balances - beginning of year	799,357	694,367	432,764	2,006,488	1,071,336
Fund balances - end of year	$ 912,254	$ 749,811	$ 453,470	$ 3,006,891	$ 1,947,425

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	Special Revenue			Capital Projects	
	Economic Development	Traffic Safety	Gas Development	TIF #1 Fund	City Point Development Project Fund
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	-
Gas utility leases and royalties	-	-	659,357	-	-
Contributions	-	-	-	-	-
Special assessments	-	-	-	-	938,197
Investment income (loss)	(875)	416	(4,231)	(11,762)	1,142
Intergovernmental	-	-	-	-	-
Forfeitures	-	-	-	-	-
Total revenues	(875)	416	655,126	(11,762)	939,339
Expenditures					
General government	-	-	-	-	-
Public safety	-	37,072	-	-	-
Culture and recreation	-	-	-	-	-
Public works	-	-	-	-	3,372,142
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	4,726	-	-	-
Public works	-	18,474	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	158	4,000
Total expenditures	-	60,272	-	158	3,376,142
Excess (deficiency) of revenues over expenditures	(875)	(59,856)	655,126	(11,920)	(2,436,803)
Other Financing Sources (Uses)					
Transfers in	149,899	-	-	-	-
Transfers out	-	-	-	(119,644)	(872,278)
Total other financing sources (uses)	149,899	-	-	(119,644)	(872,278)
Net change in fund balances	149,024	(59,856)	655,126	(131,564)	(3,309,081)
Fund balances - beginning of year	320,279	804,815	367,544	307,358	7,328,438
Fund balances - end of year	$ 469,303	$ 744,959	$ 1,022,670	$ 175,794	$ 4,019,357

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	Capital Projects	Debt Service		
	TIF #3 Fund	City Point Development Bond Fund	Sales Tax Revenue Bond	Total Non-major Governmental Funds
Revenues				
Taxes	$ 13,104	$ -	$ -	$ 6,299,249
Charges for services	-	-	-	1,724,726
Gas utility leases and royalties	-	-	-	659,357
Contributions	-	-	-	167,365
Special assessments	-	-	-	938,197
Investment income (loss)	-	183	221	(12,268)
Intergovernmental	-	-	-	381,212
Forfeitures	-	-	-	126,593
Total revenues	13,104	183	221	10,284,431
Expenditures				
General government	-	-	-	145,733
Public safety	-	-	-	5,420,488
Culture and recreation	-	-	-	133,871
Public works	-	-	-	3,394,866
Capital outlay:				
General government	-	-	-	120
Public safety	-	-	-	192,451
Public works	-	-	-	53,264
Debt service:				
Principal retirement	-	205,000	-	205,000
Interest and fiscal charges	-	609,375	-	613,533
Total expenditures	-	814,375	-	10,159,326
Excess (deficiency) of revenues over expenditures	13,104	(814,192)	221	125,105
Other Financing Sources (Uses)				
Transfers in	-	872,278	-	1,025,503
Transfers out	-	-	(274,971)	(1,984,980)
Total other financing sources (uses)	-	872,278	(274,971)	(959,477)
Net change in fund balances	13,104	58,086	(274,750)	(834,372)
Fund balances - beginning of year	-	916,141	276,119	15,325,006
Fund balances - end of year	$ 13,104	$ 974,227	$ 1,369	$ 14,490,634

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL DEBT SERVICE FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes (including penalties & interest)	$ 11,202,557	$ 11,202,557	$ 11,202,557	$ -
Transfers in:				
Drainage utility	220,675	220,675	220,675	-
Parks & recreation facilities development corp.	463,005	463,005	463,005	-
Fleet services fund	257,223	252,300	252,300	-
Sub-total transfers in	940,903	935,980	935,980	-
Other:				
Bond issuance and premium				-
Interest income	3,087	6,000	15,810	9,810
City of Watauga, CIP participation	82,853	82,853	82,583	(270)
Sub-total other	85,940	88,853	98,393	9,540
Total Revenues	12,229,400	12,227,390	12,236,930	9,540
Expenditures				
Existing bonds & co's	12,220,017	12,213,112	12,102,627	110,485
Issuance costs/paying agent fees	9,383	9,383	(4,740)	14,123
Bond defeasance/refunding	-	-	5,100	(5,100)
Total Expenditures	12,229,400	12,222,495	12,102,987	119,508
Net Increase (Decrease)	$ -	$ 4,895	133,943	$ 129,048
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(8,349)	
Transfers in/out			(165,880)	
Miscellaneous			(25,000)	
Net change in fund balance (deficit) - GAAP			$ (65,286)	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - PROMOTIONAL FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Occupancy tax proceeds	$ 176,582	$ 280,000	$ 313,649	$ 33,649
Interest revenue	4,400	5,843	5,887	44
Appropriation of Fund Balance	95,826	95,826	-	(95,826)
Total Revenues	276,808	381,669	319,536	(62,133)
Expenditures				
Operating expenses				
Economic development	128,717	128,762	124,201	4,561
Culture & leisure	147,646	147,788	77,287	70,501
Non-departmental	445	258	133	125
Sub-total operating expenses	276,808	276,808	201,621	75,187
Other & Reserves				
Contribution to reserves		104,861	-	104,861
Total Expenditures	276,808	381,669	201,621	180,048
Net Increase (Decrease)	$ -	$ -	117,915	$ 117,915
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(5,018)	
Net change in fund balance (deficit) - GAAP			$ 112,897	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - DONATIONS FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Donations:				
Parks & Recreation Program	$ 96,800	$ 28,010	$ 39,193	$ 11,183
Library Program	50,050	41,300	32,851	(8,449)
Neighborhood Services Program	67,900	61,000	84,493	23,493
Public Safety Program	6,600	15,725	12,030	(3,695)
Teen Court Program	3,600	3,600	2,123	(1,477)
Sub-total donations	224,950	149,635	170,690	21,055
Other				
Interest revenue	9,076	9,076	5,684	(3,392)
Appropriation of Fund Balance:	62,438	34,403	-	(34,403)
Sub-total Other	71,514	43,479	5,684	(37,795)
Total Revenues	296,464	193,114	176,374	(16,740)
Expenditures				
Parks & Recreation programs	113,000	33,650	20,421	13,229
Library Programs	68,865	68,865	32,868	35,997
Neighborhood Services Programs	36,823	37,823	22,462	15,361
Public Safety Programs	9,700	9,700	1,720	7,980
Teen Court Program	4,000	4,000	2,350	1,650
Transfer Out	30,000	30,000	30,632	(632)
Total Expenditures	262,388	184,038	110,453	73,585
Net Increase (Decrease)	$ 34,076	$ 9,076	65,921	$ 56,845
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(4,795)	
Miscellaneous			(5,682)	
Net change in fund balance (deficit) - GAAP			$ 55,444	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - SPECIAL INVESTIGATIONS FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Forfeited funds:				
Federal	$ 50,000	$ 50,000	$ 78,598	$ 28,598
State	20,000	35,000	45,428	10,428
Local	1,000	1,000	2,568	1,568
Sub-total forfeited funds	71,000	86,000	126,594	40,594
AFIS reimbursements	13,500	14,407	8,850	(5,557)
Interest income	-	-	3,404	3,404
Other income	-	2,900	-	(2,900)
Appropriations of fund balance	182,800	185,113	-	(185,113)
Total Revenues	267,300	288,420	138,848	(149,572)
Expenditures				
Federal forfeited funds	150,000	174,920	55,959	118,961
State forfeited funds	105,000	91,000	44,320	46,680
Local forfeited funds	1,000	1,000	-	1,000
AFIS maintenance & equipment	4,300	14,500	14,996	(496)
LEOSE contributions	7,000	7,000	-	7,000
Total Expenditures	267,300	288,420	115,275	173,145
Net Increase (Decrease)	$ -	$ -	23,573	$ 23,573
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(2,867)	
Net change in fund balance (deficit) - GAAP			$ 20,706	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - DRAINAGE UTILITY FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Drainage fees	$ 1,647,000	$ 1,684,000	$ 1,724,725	$ 40,725
Interest income	4,700	6,242	14,648	8,406
Total Revenues	1,651,700	1,690,242	1,739,373	49,131
Expenditures				
Debt service	220,675	220,675	220,675	-
Other expenditures	149,583	154,683	57,514	97,169
Transfers to Capital	450,000	450,000	450,000	-
Contribution to Reserves	831,442	864,884	-	864,884
Total Expenditures	1,651,700	1,690,242	728,189	962,053
Net Increase (decrease)	$ -	$ -	1,011,184	$ 1,011,184
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(10,781)	
Net change in fund balance (deficit) - GAAP			$ 1,000,403	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - CRIME CONTROL DISTRICT
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax	$ 5,199,180	$ 5,634,351	$ 5,972,496	$ 338,145
Franchise tax	96,127	92,286	92,286	-
Interest income	4,300	5,710	1,541	(4,169)
SRO Reimbursement (BISD)	235,775	235,775	241,494	5,719
Miscellaneous revenue	68,608	38,581	38,582	1
Appropriation of Fund Balance / Transfers In	-	24,869	-	(24,869)
Total Revenues	5,603,990	6,031,572	6,346,399	314,827
Expenditures				
Operating				
Administration	16,000	16,000	17,474	(1,474)
Administrative services	1,047,109	1,059,510	1,049,119	10,391
Investigations / Victim Assistance Program	572,458	582,674	511,356	71,318
Uniform patrol	3,110,774	3,112,894	3,053,990	58,904
Technical services	549,758	550,818	554,933	(4,115)
Property Evidence	111,508	115,528	106,904	8,624
Sub-total operating	5,407,607	5,437,424	5,293,776	143,648
Other & reserves				
Partner agency funding	44,426	44,426	44,426	-
Other	123,677	118,729	115,943	2,786
Indirect costs	28,280	41,255	16,780	24,475
Reserves	-	389,738	-	389,738
Sub-total other & reserves	196,383	594,148	177,149	416,999
Total Expenditures	5,603,990	6,031,572	5,470,925	560,647
Net Increase (Decrease)	$ -	$ -	875,474	$ 875,474
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(616)	
Miscellaneous			1,231	
Net change in fund balance (deficit) - GAAP			$ 876,089	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - TRAFFIC SAFETY FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest income	$ 6,300	$ 8,366	$ 5,998	$ (2,368)
Appropriation of fund balance	50,611	65,827	54,274	(11,553)
Total Revenues	56,911	74,193	60,272	(13,921)
Expenditures				
Payment to State	-	17,282	17,282	-
Traffic Enforcement	20,352	20,352	21,569	(1,217)
Pedestrian Safety	36,559	36,559	21,421	15,138
Total Expenditures	56,911	74,193	60,272	13,921
Net Increase (Decrease)	$ -	$ -	-	$ -

Reconciliation between budgetary basis actual and GAAP	
Increase (decrease) in fair value of investments	(5,582)
Appropriations of fund balance	(54,274)
Net change in fund balance (deficit) - GAAP	$ (59,856)

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GAS DEVELOPMENT FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
General fund purposes	$ 320,000	$ 470,000	$ 659,356	$ 189,356
Interest income	2,600	3,453	3,589	136
Total Revenues	322,600	473,453	662,945	189,492
Expenditures				
Other & Reserves:				
Contribution to Reserves	322,600	473,453	-	473,453
Total Expenditures	322,600	473,453	-	473,453
Net Increase (Decrease)	$ -	$ -	662,945	$ 662,945
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(7,819)	
Net change in fund balance (deficit) - GAAP			$ 655,126	

NRH$_2$O Family Water Park is North Texas' favorite family water park, conveniently located between Dallas and Fort Worth. The park features 8 water slides, a kiddie area, a large wave pool, a large lagoon-like play area, a lazy river and is open from May through September. Since NRH$_2$O opened in 1995, it has consistently ranked amongst the top water parks in the nation

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Utility Fund – To account for the distribution of water, transportation of wastewater, and solid waste removal services provided to the residents of the City. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, financing and debt service, and billing and collections. All activities of the fund are supported by the customers of the utility.

Aquatic Park Fund - To account for the operation of NRH_2O, the City's public water park. All activities necessary to operate the park are accounted for in the fund, including, but not limited to, administration, park operations, park maintenance, and financing and debt service. All activities of the fund are supported by the patrons of the water park.

Golf Course Fund – To account for the operations of Iron Horse Golf Course, the City's public golf course. All activities necessary to operate the course are accounted for in the fund, including, but not limited to, administration, operations, course maintenance, and financing and debt service. The Golf Course in the only non-major proprietary fund. All activities of the fund are supported by the patrons of the golf course.

INTERNAL SERVICE FUNDS

Facility and Construction Services Fund – To account for building maintenance and repair services provided to numerous departments located at various sites throughout the City. Facility and Construction Services Fund operations are financed by charges to user departments.

Fleet Services Fund – To account for the maintenance, repair service, and replacement of vehicles and equipment provided to numerous departments responsible for the operation of City vehicles and equipment. Fleet Services Fund operations are financed by charges to user departments.

Self-Insurance Fund – To account for the payment of substantially all claims except for fire insurance coverage and employee life insurance coverage. Self-Insurance Fund operations are financed by charges to user departments and employee contributions.

Information Technology Fund – To account for the acquisition, maintenance, and support of computer and telephone hardware and software. Information Technology Fund operations are financed by charges to user departments.

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2021

	Facilities and Construction Services	Fleet Services	Self Insurance	Information Technology	Total Internal Service Funds
Assets					
Current Assets:					
Cash and cash equivalents	$ 2,024,117	$ 1,950,726	$ 7,337,997	$ 1,020,272	$ 12,333,112
Investments	1,604,166	1,615,543	7,605,566	802,083	11,627,358
Accounts receivable, net of allowances:					
Other	883	-	40,552	9,159	50,594
Interest receivable	160	162	760	80	1,162
Prepaid items	9,997	-	278,685	160,178	448,860
Inventories, at cost	52,251	158,576	-	-	210,827
Total current assets	3,691,574	3,725,007	15,263,560	1,991,772	24,671,913
Noncurrent assets:					
Cash and cash equivalents	-	90,947	2,491,218	17,049	2,599,214
Interfund loan receivable	-	-	500,000	-	500,000
Capital assets, net:					
Buildings and improvements	53,976	-	-	-	53,976
Other improvements	-	-	-	602,769	602,769
Machinery and equipment	386,341	7,435,475	13,312	2,287,673	10,122,801
Accumulated depreciation	(397,913)	(5,735,638)	(13,312)	(2,406,180)	(8,553,043)
Net capital assets	42,404	1,699,837	-	484,262	2,226,503
Total noncurrent assets	42,404	1,790,784	2,991,218	501,311	5,325,717
Total assets	3,733,978	5,515,791	18,254,778	2,493,083	29,997,630
Deferred Outflows of Resources					
Deferred outflows - OPEB	94,442	96,153	55,643	133,297	379,535
Deferred outflows - Pension	106,207	71,620	54,875	22,491	255,193
Total deferred outflows of resources	200,649	167,773	110,518	155,788	634,728
Liabilities					
Current Liabilities:					
Accounts payable and accrued expenses	200,829	5,674	38,163	31,166	275,832
Other current liabilities	12,319	11,548	1,181,546	17,551	1,222,964
Compensated absences	9,115	30,232	16,797	18,623	74,767
Unearned revenue	1,200	-	-	-	1,200
Total current liabilities	223,463	47,454	1,236,506	67,340	1,574,763
Noncurrent Liabilities:					
Compensated absences	48,040	26,207	68,944	121,397	264,588
Net OPEB liability	626,088	689,873	345,915	833,366	2,495,242
Net pension liability	372,286	384,989	232,102	400,302	1,389,679
Total noncurrent liabilities	1,046,414	1,101,069	646,961	1,355,065	4,149,509
Total liabilities	1,269,877	1,148,523	1,883,467	1,422,405	5,724,272
Deferred Inflows of Resources					
Deferred inflows - OPEB	154,932	107,313	85,286	213,675	561,206
Deferred inflows - pension	108,326	166,978	56,977	125,573	457,854
Total deferred inflows of resources	263,258	274,291	142,263	339,248	1,019,060
Net Position					
Investment in capital assets	42,404	1,699,837	-	484,262	2,226,503
Unrestricted (deficit)	2,359,088	2,560,913	16,339,566	402,956	21,662,523
Total net position	$ 2,401,492	$ 4,260,750	$ 16,339,566	$ 887,218	$ 23,889,026

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2021

	Facilities and Construction Services	Fleet Services	Self Insurance	Information Technology	Total Internal Service Funds
Operating Revenues					
Internal service revenues:					
Risk management	$ -	$ -	$ 15,139,432	$ -	$ 15,139,432
Facilities and fleet management	2,911,444	4,012,486	-	-	6,923,930
Information systems management	-	-	-	3,140,088	3,140,088
Miscellaneous revenues	46,189	-	112,606	188,150	346,945
Total operating revenues	2,957,633	4,012,486	15,252,038	3,328,238	25,550,395
Operating Expenses					
Claims	-	-	10,209,093	22,119	10,231,212
Contractual services	946,842	115,369	348,095	434,839	1,845,145
Personnel services	953,381	956,314	487,784	1,227,792	3,625,271
Repairs and maintenance	652,690	632,661	-	1,746,357	3,031,708
Supplies	41,168	880,353	4,830	118,644	1,044,995
Depreciation	16,015	324,080	-	44,524	384,619
Total operating expenses	2,610,096	2,908,777	11,049,802	3,594,275	20,162,950
Operating income (loss)	347,537	1,103,709	4,202,236	(266,037)	5,387,445
Nonoperating revenues (expenses)					
Investment income (loss)	2,379	4,011	27,219	(938)	32,671
Other income	-	11	159,284	-	159,295
Gain (loss) on disposal of assets	4,906	137,967	-	4,112	146,985
Total nonoperating revenues (expenses)	7,285	141,989	186,503	3,174	338,951
Income (loss) before transfers	354,822	1,245,698	4,388,739	(262,863)	5,726,396
Transfers					
Transfers in	119,663	-	-	342,737	462,400
Transfers out	(274,400)	(700,414)	-	(160,000)	(1,134,814)
Total transfers - net	(154,737)	(700,414)	-	182,737	(672,414)
Change in net position	200,085	545,284	4,388,739	(80,126)	5,053,982
Net position - beginning of year	2,201,407	3,715,466	11,950,827	967,344	18,835,044
Net position - end of year	$ 2,401,492	$ 4,260,750	$ 16,339,566	$ 887,218	$ 23,889,026

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2021

	Facilities and Construction Services	Fleet Services	Self Insurance	Information Technology	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from interfund services provided	$ 2,890,945	$ 3,959,486	$ 15,119,476	$ 3,137,253	$ 25,107,160
Other operating revenue	46,189	-	112,606	188,150	346,945
Payments to suppliers	(1,506,988)	(1,628,406)	(10,527,697)	(2,331,646)	(15,994,737)
Payments to employees	(991,355)	(1,010,069)	(512,104)	(1,299,869)	(3,813,397)
Net cash provided by (used for) operating activities	438,791	1,321,011	4,192,281	(306,112)	5,645,971
Cash flows from noncapital financing activities:					
Transfers from other funds	119,663	-	-	342,737	462,400
Transfers to other funds	(274,400)	(700,414)	-	(160,000)	(1,134,814)
Net cash provided by (used for) noncapital financing activities	(154,737)	(700,414)	-	182,737	(672,414)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	1	5,396	(4,112)	1,523	2,808
Insurance recovery proceeds	-	11	159,284	-	159,295
Proceeds from sale of capital assets	4,906	132,568	4,112	2,591	144,177
Net cash provided by (used for) capital and related financing activities	4,907	137,975	159,284	4,114	306,280
Cash flows from investing activities:					
Sale (purchase) of investments	73,968	(8,067)	(1,134,445)	228,351	(840,193)
Interest and dividends received	2,814	4,419	28,755	(652)	35,336
Net cash provided by (used for) investing activities	76,782	(3,648)	(1,105,690)	227,699	(804,857)
Net increase (decrease) in cash and cash equivalents	365,743	754,924	3,245,875	108,438	4,474,980
Cash and cash equivalents, beginning of year	1,658,374	1,286,749	6,583,340	928,883	10,457,346
Cash and cash equivalents, end of year	$ 2,024,117	$ 2,041,673	$ 9,829,215	$ 1,037,321	$ 14,932,326
Reconciliation of Cash and Cash Equivalents to Combining Statement of Net Position - Internal Service Funds					
Cash and cash equivalents - current	$ 2,024,117	$ 1,950,726	$ 7,337,997	$ 1,020,272	$ 12,333,112
Cash and cash equivalents - noncurrent	-	90,947	2,491,218	17,049	2,599,214
Total cash and cash equivalents	$ 2,024,117	$ 2,041,673	$ 9,829,215	$ 1,037,321	$ 14,932,326
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ 347,537	$ 1,103,709	$ 4,202,236	$ (266,037)	$ 5,387,445
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	16,015	324,080	-	44,524	384,619
(Increase) decrease in accounts receivable	(1)	-	(19,956)	(173)	(20,130)
(Increase) decrease in prepaid items	(4,940)	-	(62,003)	18,172	(48,771)
(Increase) decrease in inventories	(21,698)	(53,000)	-	-	(74,698)
(Increase) decrease in OPEB deferred outflows	(37,115)	(43,958)	(24,217)	(56,067)	(161,357)
(Increase) decrease in pension deferred outflows	(7,763)	(9,195)	(5,065)	(11,728)	(33,751)
Increase (decrease) in accounts payable	134,463	(2,679)	17,986	(21,046)	128,724
Increase (decrease) in other current liabilities	4,189	2,656	78,338	(6,813)	78,370
Increase (decrease) in compensated absences	14,751	8,691	10,082	7,569	41,093
Increase (decrease) in unearned revenues	1,200	-	-	(2,662)	(1,462)
Increase (decrease) in other post employment benefits	27,603	32,693	18,012	41,699	120,007
Increase (decrease) in net pension liability	(37,628)	(44,567)	(24,552)	(56,842)	(163,589)
Increase (decrease) in OPEB deferred inflows	2,840	3,364	1,853	4,291	12,348
Increase (decrease) in pension deferred inflows	(662)	(783)	(433)	(999)	(2,877)
Total adjustments	91,254	217,302	(9,955)	(40,075)	258,526
Net cash provided by (used for) operating activities	$ 438,791	$ 1,321,011	$ 4,192,281	$ (306,112)	$ 5,645,971

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - UTILITY FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Water sales & charges				
Water charges	$ 24,557,806	$ 25,245,768	$ 24,326,812	$ (918,956)
Water taps	44,200	54,000	60,265	6,265
Water inspection fees	24,000	41,500	46,378	4,878
Sub-total	24,626,006	25,341,268	24,433,455	(907,813)
Sewer sales & charges				
Sewer charges	12,944,250	13,003,188	12,401,863	(601,325)
Sewer taps	12,600	16,000	17,750	1,750
Sewer inspection fees	24,000	35,000	32,581	(2,419)
Sub-total	12,980,850	13,054,188	12,452,194	(601,994)
Miscellaneous				
Interest income	81,000	107,568	96,480	(11,088)
Service charges	144,500	117,450	127,163	9,713
Late charges	420,000	420,000	482,758	62,758
Miscellaneous	36,034	60,450	289,259	228,809
Project expense reimbursements	-	-	2,983,182	2,983,182
Joint use reimbursement - Watauga	115,668	-	-	-
Subdivision meter revenue	62,000	57,800	66,878	9,078
Developer CIP Participation	-	-	45,386	45,386
Sub-total	859,202	763,268	4,091,106	3,327,838
Total Revenues	38,466,058	39,158,724	40,976,755	1,818,031
Expenses				
Operating				
Administration	364,744	365,009	353,809	11,200
Development	946,163	948,103	872,882	75,221
Right of way maintenance	353,791	354,144	271,565	82,579
Sub-total	1,664,698	1,667,256	1,498,256	169,000
Water services				
Water operations	4,746,677	4,747,755	4,464,930	282,825
Purchase of water FTW	4,162,713	3,173,720	4,076,463	(902,743)
Purchase of water TRA	6,270,518	7,259,511	6,739,361	520,150
Sub-total	15,179,908	15,180,986	15,280,754	(99,768)
Sewer services				
Sewer operations	1,498,011	1,507,742	1,408,171	99,571
Sewer treatment FTW	1,377,029	1,225,048	1,109,843	115,205
Sewer treatment TRA	5,054,036	4,848,797	4,848,797	-
Sub-total	7,929,076	7,581,587	7,366,811	214,776

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - UTILITY FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis	Variance with Final Budget Positive (Negative)
Expenses (continued)				
Finance/Utility Collections:				
Meter reading	$ 544,694	$ 548,047	$ 539,736	$ 8,311
Utility billing / customer service	1,054,459	1,052,396	1,021,868	30,528
Utility collection services	249,084	249,084	239,398	9,686
Accounting services	445,252	445,871	406,705	39,166
Budget & research	236,379	236,467	222,253	14,214
Sub-total	2,529,868	2,531,865	2,429,960	101,905
Building services	1,822,929	1,822,929	1,822,929	-
Non-department	323,633	314,719	200,852	113,867
Sub-total Departments	29,450,112	29,099,342	28,599,562	499,780
Other & Reserves				
Debt service	1,645,049	1,630,431	1,646,296	(15,865)
Franchise fees	1,125,062	1,119,368	1,063,691	55,677
Indirect costs	2,182,170	2,182,170	2,182,170	-
Payment in lieu of taxes	410,217	410,217	410,217	-
Information services fund	175,000	175,000	175,000	-
Reserve for capital	2,248,949	2,255,980	2,278,011	(22,031)
Reserve for Utility	1,215,437	2,279,185	-	2,279,185
Total other & reserves	9,001,884	10,052,351	7,755,385	2,296,966
Total expenses	38,451,996	39,151,693	36,354,947	2,796,746
Net Increase (Decrease)	$ 14,062	$ 7,031	4,621,808	$ 4,614,777

Reconciliation between budgetary basis actual and GAAP	
Increase (decrease) in fair value of investments	(94,411)
Accruals due to receivables and revenues	1,156,800
Capital outlay	(3,772,077)
Debt service payments	1,172,729
Depreciation expense	(4,056,013)
Pension, OPEB, and compensated absences	329,616
Transfers in/out	354,857
Net change in net position (deficit) - GAAP	$ (286,691)

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - AQUATIC PARK
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Operating:				
Admissions	$ 3,096,162	$ 3,049,754	$ 3,261,828	$ 212,074
Food and beverage	806,437	802,148	995,186	193,038
Merchandise	142,583	116,374	195,790	79,416
Rentals	171,100	157,936	145,621	(12,315)
Sub-total	4,216,282	4,126,212	4,598,425	472,213
Other revenues:				
Interest income	16,441	-	10,955	10,955
Project expense reimbursements	-	-	69,356	69,356
Other	60,000	58,780	43,120	(15,660)
Sub-total	76,441	58,780	123,431	64,651
Total Revenues	4,292,723	4,184,992	4,721,856	536,864
Expenses				
Operating:				
General services & utilities	709,605	812,354	773,387	38,967
Public grounds, aquatics, and maintenance	1,134,721	1,077,027	1,023,805	53,222
Business & office admin.	524,056	396,805	315,701	81,104
Gift shop & concessions	600,894	574,149	640,976	(66,827)
Sales, special events, and admissions	320,327	248,547	253,064	(4,517)
Sub-total	3,289,603	3,108,882	3,006,933	101,949
Other and Reserves:				
Debt service	736,430	736,430	736,098	332
Transfer to Capital Projects	100,000	100,000	100,000	-
Reserve for:				
Infrastructure & major repairs	103,472	177,273	-	177,273
Non-department	63,218	62,407	60,510	1,897
Total Other & reserves	1,003,120	1,076,110	896,608	179,502
Total expenses	4,292,723	4,184,992	3,903,541	281,451
Net Increase (Decrease)	$ -	$ -	818,315	$ 818,315
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(9,534)	
Accruals due to receivables and revenues				
Accruals due to accounts payable and expenditures			91,522	
Capital outlay			(83,570)	
Debt service payments			559,899	
Depreciation expense			(918,755)	
Pension, OPEB, and compensated absences			56,229	
Transfers in/out			484,120	
Miscellaneous			(57,280)	
Net change in net position (deficit) - GAAP			$ 940,946	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GOLF
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Green fees	$ 1,092,000	$ 1,190,972	$ 1,542,553	$ 351,581
Pro shop	393,000	393,000	254,313	(138,687)
Driving range	75,000	75,000	88,956	13,956
Carts	415,000	415,000	346,721	(68,279)
Food & beverage	744,500	625,000	715,049	90,049
Other revenue	7,572	37,572	40,363	2,791
Total Revenues	2,727,072	2,736,544	2,987,955	251,411
Expenses				
Operating				
Pro shop	145,050	186,171	133,130	53,041
Pro shop: cost of goods sold	149,000	149,000	152,758	(3,758)
Driving range	18,200	25,500	25,476	24
Golf carts	257,762	222,192	254,462	(32,270)
Course maintenance	601,725	599,376	680,166	(80,790)
Food & beverage	305,380	278,279	244,805	33,474
Food & beverage: cost of goods sold	216,900	171,000	150,476	20,524
Sales & membership	-	74,874	48,747	26,127
General & administrative	358,132	315,719	378,305	(62,586)
Club house	84,032	90,365	123,149	(32,784)
Management fees	147,560	153,237	164,363	(11,126)
Capital	114,879	114,879	59,611	55,268
Sub-total	2,398,620	2,380,592	2,415,448	(34,856)
Other and Reserves				
Debt service	328,452	328,452	328,439	13
Capital Construction / CIP	-	27,500	-	27,500
Total Other & reserves	328,452	355,952	328,439	27,513
Total expenses	2,727,072	2,736,544	2,743,887	(7,343)
Net Increase (Decrease)	$ -	$ -	244,068	$ 244,068
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(70,739)	
Capital outlay			3,306,176	
Debt service payments			200,518	
Depreciation expense			(290,937)	
Transfers in/out			96,850	
Miscellaneous			(3,281,855)	
Net change in net position (deficit) - GAAP			$ 204,081	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - FACILITIES AND CONSTRUCTION
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for service				
Transfer from:				
General fund	$ 812,101	$ 812,101	$ 812,101	$ -
Park development fund	276,414	276,414	276,414	-
Utility fund	1,822,929	1,822,929	1,822,929	-
Sub-total	2,911,444	2,911,444	2,911,444	-
Other revenues				
Interest income	16,000	21,248	25,711	4,463
Rent from rental properties	39,600	39,600	39,810	210
Other income	-	7,052	11,285	4,233
Project expense reimbursements	-	-	147,285	147,285
Sub-total	55,600	67,900	224,091	156,191
Sub-total revenues	2,967,044	2,979,344	3,135,535	156,191
Appropriation of fund balance:				
Building services fund reserves	301,146	275,844	-	(275,844)
Total Revenues	3,268,190	3,255,188	3,135,535	(119,653)
Expenses				
Operating:				
General services	247,051	247,404	249,310	(1,906)
Building services	2,687,042	2,674,747	2,352,799	321,948
Rental property program	36,120	36,120	14,848	21,272
Transfer to capital budget	274,400	274,400	274,400	-
Sub-total	3,244,613	3,232,671	2,891,357	341,314
Other and Reserves:				
Other	23,577	22,517	15,094	7,423
Total Other & reserves	23,577	22,517	15,094	7,423
Total expenses	3,268,190	3,255,188	2,906,451	348,737
Net Increase (Decrease)	$ -	$ -	229,084	$ 229,084
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(23,335)	
Depreciation expense			(16,015)	
Pension, OPEB, and compensated absences			37,973	
Transfers in/out			(27,622)	
Net change in net position (deficit) - GAAP			$ 200,085	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - FLEET SERVICES
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for service:				
Transfer from :				
General fund	$ 1,389,677	$ 1,389,677	$ 1,389,677	$ -
Utility fund	1,967,647	1,967,647	1,967,647	-
Utility CIP / utility construction	288,678	288,678	288,678	-
Crime control district	170,426	170,426	170,426	-
Park & recreation development	171,939	171,939	171,939	-
Other funds	24,119	24,119	24,119	-
Sub-total	4,012,486	4,012,486	4,012,486	-
Other revenues:				
Investment income	23,300	30,942	26,272	(4,670)
Sale of city property	20,000	20,000	137,967	117,967
Other income	-	-	11	11
Project expense reimbursements	-	-	169,465	169,465
Sub-total	43,300	50,942	333,715	282,773
Sub-total revenues	4,055,786	4,063,428	4,346,201	282,773
Appropriation of fund balance:				
Equipment services fund reserves	-	19,359	-	(19,359)
Total Revenues	4,055,786	4,082,787	4,346,201	263,414
Expenses				
General services	295,207	295,207	293,230	1,977
Equipment services operations	1,621,025	1,670,944	1,493,180	177,764
Fire fleet maintenance	345,333	395,186	335,687	59,499
Equipment purchases	430,819	368,046	330,509	37,537
Police vehicles / equipment	560,705	500,705	166,389	334,316
Sub-total	3,253,089	3,230,088	2,618,995	611,093
Other and Reserves:				
Debt service	673,555	833,240	838,097	(4,857)
Other	22,516	19,459	19,459	-
Equipment services reserve	106,626	-	-	-
Total Other & reserves	802,697	852,699	857,556	(4,857)
Total expenses	4,055,786	4,082,787	3,476,551	606,236
Net Increase (Decrease)	$ -	$ -	869,650	$ 869,650
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(22,263)	
Depreciation expense			(324,077)	
Pension, OPEB, and compensated absences			53,756	
Transfers in/out			(31,782)	
Net change in net position (deficit) - GAAP			$ 545,284	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - SELF INSURANCE FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Allocations				
Health / medical	$ 13,183,011	$ 13,183,011	$ 13,081,510	$ (101,501)
Worker's compensation	1,104,984	1,107,420	1,111,938	4,518
Other insurance	1,018,932	1,016,496	990,466	(26,030)
Sub-total	15,306,927	15,306,927	15,183,914	(123,013)
Other revenues				
Interest income	97,868	97,868	112,846	14,978
Other income	-	-	151,269	151,269
Expenditure reimbursement	400,000	100,000	76,138	(23,862)
Sub-total	497,868	197,868	340,253	142,385
Sub-total revenues	15,804,795	15,504,795	15,524,167	19,372
Self insurance fund reserves	100,000	103,000	-	(103,000)
Total Revenues	15,904,795	15,607,795	15,524,167	(83,628)
Expenses				
Health / medical	13,652,917	10,097,823	8,980,150	1,117,673
Worker's compensation	589,500	506,500	445,152	61,348
Personnel expenses	514,731	517,731	500,566	17,165
Other insurance	870,496	1,008,590	987,680	20,910
Other expenses	146,000	146,000	122,577	23,423
Sub-total	15,773,644	12,276,644	11,036,125	1,240,519
Other and Reserves	131,151	3,331,151	100,000	3,231,151
Total expenses	15,904,795	15,607,795	11,136,125	4,471,670
Net Increase (Decrease)	$ -	$ -	4,388,042	$ 4,388,042
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(85,624)	
Accruals due to accounts payable and expenditures			62,002	
Pension, OPEB, and compensated absences			24,319	
Net change in net position (deficit) - GAAP			$ 4,388,739	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - INFORMATION TECHNOLOGY
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services:				
General fund	$ 1,458,565	$ 1,458,565	$ 1,458,565	$ -
Park fund	172,776	172,776	172,776	-
Crime control district	252,093	252,093	252,093	-
Utility fund	1,065,770	1,065,770	1,065,770	-
Other funds	365,884	365,884	365,884	-
Sub-total	3,315,088	3,315,088	3,315,088	-
Other revenues:				
Interest income	14,000	18,592	13,831	(4,761)
Transmitter lease	170,000	175,000	188,149	13,149
Other income	-	-	4,112	4,112
Transfer from general fund	149,144	167,737	167,737	-
Sub-total	333,144	361,329	373,829	12,500
Sub-total revenues	3,648,232	3,676,417	3,688,917	12,500
Appropriation of fund balance	360,125	600,616	74,739	
Total Revenues	4,008,357	4,277,033	3,763,656	12,500
Expenses				
General services	209,230	209,230	326,034	(116,804)
Major computer systems	363,624	357,603	363,211	(5,608)
Microcomputer systems	983,314	883,834	839,318	44,516
Telecommunications	370,575	380,834	360,633	20,201
Data network	1,030,795	1,265,063	753,226	511,837
Gis system	186,907	181,516	188,166	(6,650)
Public safety	688,845	826,711	761,335	65,376
Sub-total	3,833,290	4,104,791	3,591,923	512,868
Other and Reserves				
Other, Non-Departmental	15,067	12,242	11,733	509
Reserve for system improvements	160,000	160,000	160,000	-
Total Other & reserves	175,067	172,242	171,733	509
Total expenses	4,008,357	4,277,033	3,763,656	513,377
Net Increase (Decrease)	$ -	$ -	-	$ 525,877
Reconciliation between budgetary basis actual and GAAP				
Increase (decrease) in fair value of investments			(14,767)	
Accruals due to accounts payable and expenditures			(18,172)	
Depreciation expense			(44,524)	
Pension, OPEB, and compensated absences			72,078	
Miscellaneous			(74,741)	
Net change in net position (deficit) - GAAP			$ (80,126)	

Statistical Section

The NRH water and sewer utility provides services to over 21,000 residential and business customers. The water provided by the city consistently meets or exceeds all state and federal drinking water requirements. The City of North Richland Hills purchases its drinking water, as well as sewer treatment services, from the City of Fort Worth and the Trinity River Authority as a wholesale customer. The Public Works Department Utility Division is responsible for maintenance of the city's water and sewer infrastructure.

Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Amounts in (000's)

(Accrual Basis of Accounting)

	2021	2020	2019	2018	2017
Governmental Activities					
Net investment in capital assets	$ 233,115,972	$ 230,108,507	$ 221,090,589	$ 214,081,749	$ 208,508,926
Restricted	26,927,746	23,228,613	20,825,594	16,138,949	11,257,910
Unrestricted	13,518,604	2,516,543	1,428,088	(4,852,295)	15,716,225
Total Governmental Activities Net Position	$ 273,562,322	$ 255,853,663	$ 243,344,271	$ 225,368,403	$ 235,483,061
Business-type Activities					
Net investment in capital assets	$ 65,153,537	$ 71,094,790	$ 73,399,637	$ 74,787,942	$ 52,999,815
Restricted	4,204,406	6,188,722	5,119,704	4,260,462	3,764,244
Unrestricted	24,110,383	12,239,489	8,872,010	8,737,576	9,421,299
Total Business-Type Activities Net Position	$ 93,468,326	$ 89,523,001	$ 87,391,351	$ 87,785,980	$ 66,185,358
Primary Government					
Net investment in capital assets	$ 298,269,509	$ 321,959,116	$ 294,490,226	$ 288,869,691	$ 261,508,741
Restricted	31,132,152	29,417,335	25,945,298	20,399,411	15,022,154
Unrestricted	37,628,987	(5,999,787)	10,300,098	3,885,281	25,137,524
Total Primary Government Net Position	$ 367,030,648	$ 345,376,664	$ 330,735,622	$ 313,154,383	$ 301,668,419

CITY OF NORTH RICHLAND HILLS, TEXAS

NET POSITION BY COMPONENT
Last Ten Fiscal Years
Amounts in (000's)
(Accrual Basis of Accounting)

	2016	2015	2014	2013	2012
Governmental Activities					
Net investment in capital assets	$ 199,625,197	$ 196,388,094	$ 196,926,762	$ 205,397,867	$ 205,162,006
Restricted	4,005,996	3,451,280	4,115,704	4,634,803	4,253,430
Unrestricted	28,160,118	30,601,993	39,299,589	26,228,262	23,572,411
Total Governmental Activities Net Position	$ 231,791,311	$ 230,441,367	$ 240,342,055	$ 236,260,932	$ 232,987,847
Business-type Activities					
Net investment in capital assets	$ 54,387,271	$ 57,335,778	$ 58,375,965	$ 62,044,064	$ 62,615,382
Restricted	3,507,899	4,153,891	3,788,127	3,762,460	2,710,553
Unrestricted	13,365,978	17,209,164	22,414,369	20,753,387	22,957,383
Total Business-Type Activities Net Position	$ 71,261,148	$ 78,698,833	$ 84,578,461	$ 86,559,911	$ 88,283,318
Primary Government					
Net investment in capital assets	$ 254,012,468	$ 253,723,872	$ 255,302,727	$ 267,441,931	$ 267,777,388
Restricted	7,513,895	7,605,171	7,903,831	8,397,263	6,963,983
Unrestricted	41,526,096	47,811,157	61,713,958	46,981,649	46,529,794
Total Primary Government Net Position	$ 303,052,459	$ 309,140,200	$ 324,920,516	$ 322,820,843	$ 321,271,165

	2021	2020	2019	2018	2017
Expenses					
Governmental Activities:					
General government	$ 16,217,730	$ 18,402,693	$ 14,795,971	$ 7,726,396	$ 10,056,228
Public safety	31,352,267	30,185,432	34,641,711	10,115,202	36,900,873
Culture and recreation	11,744,572	12,150,887	12,988,181	7,985,984	13,477,176
Public works	10,915,178	7,988,277	8,100,775	10,465,375	11,362,841
Interest and other fees	3,681,268	4,873,291	3,452,789	3,562,127	3,743,076
Total Governmental Activities Expenses	73,911,015	73,600,580	73,979,427	39,855,084	75,540,194
Business-Type Activities:					
Utility	34,126,398	35,405,045	33,543,900	32,041,219	31,655,646
Aquatic park	4,155,497	3,215,995	4,556,251	4,044,801	4,863,609
Golf course	2,812,045	2,136,067	2,521,179	2,562,080	2,554,338
Total Business-type Activities Expenses	41,093,940	40,757,107	40,621,330	38,648,100	39,073,593
Total Primary Government Expenses	$ 115,004,955	$ 114,357,687	$ 114,600,757	$ 78,503,184	$ 114,613,787
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 5,805,195	$ 5,099,784	$ 5,311,802	$ 4,835,477	$ 5,904,994
Public safety	2,791,638	1,747,559	3,122,234	2,757,133	2,443,763
Culture and recreation	3,415,077	2,572,335	4,179,364	3,487,459	3,274,056
Public works	2,013,671	1,873,331	1,206,002	1,100,243	1,118,102
Operating grants and contributions	9,531,551	9,705,738	8,356,606	7,086,384	4,910,865
Capital grants and contributions	244,322	553,335	787,186	225,013	1,647,847
Total Governmental Activities Program Revenues	23,801,454	21,552,082	22,963,194	19,491,709	19,299,627
Business-Type Activities					
Charges for services:					
Utility	39,307,284	38,934,995	34,803,804	37,145,864	31,983,377
Aquatic park	4,598,425	287,217	4,072,406	3,759,312	4,117,435
Golf course	2,947,593	1,032,999	2,560,903	2,361,058	2,543,641
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	46,853,302	40,255,211	41,437,113	43,266,234	38,644,453
Total Primary Government Program Revenues	$ 70,654,756	$ 61,807,293	$ 64,400,307	$ 62,757,943	$ 57,944,080
Net (Expense) Revenue					
Governmental activities	$ (50,109,561)	$ (52,048,498)	$ (51,016,233)	$ (20,363,375)	$ (56,240,567)
Business-type activities	5,759,362	(501,896)	815,783	4,618,134	(429,140)
Total Primary Government Net Expense	$ (44,350,199)	$ (52,550,394)	$ (50,200,450)	$ (15,745,241)	$ (56,669,707)

	2016	2015	2014	2013	2012
Expenses					
Governmental Activities:					
General government	$ 17,381,050	$ 11,393,967	$ 11,226,130	$ 10,656,322	$ 10,399,845
Public safety	36,372,485	31,515,975	31,035,115	30,611,650	28,881,714
Culture and recreation	12,638,389	12,542,034	11,931,205	11,633,882	11,679,786
Public works	9,569,723	8,958,913	8,962,500	8,398,711	7,794,339
Interest and other fees	4,016,128	4,488,461	3,915,632	3,673,780	3,453,283
Total Governmental Activities Expenses	79,977,775	68,899,350	67,070,582	64,974,345	62,208,967
Business-Type Activities:					
Utility	31,490,416	30,228,765	28,066,386	27,623,220	26,642,141
Aquatic park	5,006,324	4,354,652	4,542,966	4,749,688	4,753,949
Golf course	2,465,475	2,394,132	2,433,004	2,566,632	2,429,973
Total Business-type Activities Expenses	38,962,215	36,977,549	35,042,356	34,939,540	33,826,063
Total Primary Government Expenses	$ 118,939,990	$ 105,876,899	$ 102,112,938	$ 99,913,885	$ 96,035,030
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 4,158,829	$ 5,145,175	$ 5,521,811	$ 5,497,050	$ 5,490,245
Public safety	3,486,887	3,894,194	3,655,306	4,204,508	3,426,008
Culture and recreation	3,246,982	3,104,181	3,100,292	3,001,249	2,381,024
Public works	979,812	1,063,766	1,136,920	937,102	932,819
Operating grants and contributions	3,336,301	2,966,484	2,826,280	2,545,158	1,833,138
Capital grants and contributions	4,575,258	478,587	2,676,372	2,938,951	7,401,996
Total Governmental Activities Program Revenues	19,784,069	16,652,387	18,916,981	19,124,018	21,465,230
Business-Type Activities					
Charges for services:					
Utility	30,544,439	29,826,840	30,483,178	30,160,950	28,445,746
Aquatic park	4,005,048	4,237,734	4,019,970	4,377,388	4,548,828
Golf course	2,552,175	2,335,223	2,314,514	2,371,010	2,443,865
Operating grants and contributions	-	-	84,842	138,831	80,660
Capital grants and contributions	-	-	-	7,291	50,744
Total Business-type Activities Program Revenues	37,101,662	36,399,797	36,902,504	37,055,470	35,569,843
Total Primary Government Program Revenues	$ 56,885,731	$ 53,052,184	$ 55,819,485	$ 56,179,488	$ 57,035,073
Net (Expense) Revenue					
Governmental activities	$ (60,193,706)	$ (52,246,963)	$ (48,153,601)	$ (45,850,327)	$ (40,743,737)
Business-type activities	(1,860,553)	(577,752)	1,860,148	2,115,930	1,743,780
Total Primary Government Net Expense	$ (62,054,259)	$ (52,824,715)	$ (46,293,453)	$ (43,734,397)	$ (38,999,957)

	2021	2020	2019	2018	2017
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 36,030,318	$ 34,618,987	$ 34,416,931	$ 32,519,445	$ 29,852,651
Sales tax	23,960,318	22,014,072	20,438,448	20,519,795	19,838,314
Mixed beverage	128,889	125,456	154,095	145,495	145,222
Franchise and other taxes	3,557,946	3,818,194	4,315,995	4,093,150	4,015,982
Occupancy	313,649	254,203	279,026	301,835	278,764
Unrestricted investment earnings	109,853	2,032,166	2,670,106	396,058	285,287
Miscellaneous	983,598	2,379,746	3,101,123	3,237,668	637,784
Transfers	2,733,649	(684,934)	3,616,377	2,685,453	4,878,313
Total governmental activities	67,818,220	64,557,890	68,992,101	63,898,899	59,932,317
Business-Type Activities:					
Unrestricted investment earnings	3,112	522,875	670,582	63,542	74,378
Miscellaneous	41,500	1,425,737	1,735,383	2,153,798	157,285
Transfers	(2,733,649)	684,934	(3,616,377)	(2,685,453)	(4,878,313)
Total business-type activities	(2,689,037)	2,633,546	(1,210,412)	(468,113)	(4,646,650)
Total primary government	$ 65,129,183	$ 67,191,436	$ 67,781,689	$ 63,430,786	$ 55,285,667
Changes in Net Position:					
Governmental activities	$ 17,708,659	$ 12,509,392	$ 17,975,868	$ 43,535,524	$ 3,691,750
Business-type activities	3,070,325	2,131,650	(394,629)	4,150,021	(5,075,790)
Total primary government	$ 20,778,984	$ 14,641,042	$ 17,581,239	$ 47,685,545	$ (1,384,040)

	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 27,060,196	$ 26,099,238	$ 24,903,041	$ 24,126,068	$ 22,222,620
Sales tax	19,324,022	18,571,502	18,007,872	17,359,807	16,974,086
Mixed beverage	139,062	138,100	129,512	117,223	101,724
Franchise and other taxes	4,437,141	4,502,303	4,332,756	4,166,579	4,269,229
Occupancy	275,072	232,793	206,930	221,003	210,324
Unrestricted investment earnings	522,485	514,062	320,460	258,705	300,928
Miscellaneous	4,077,647	188,123	142,074	205,445	288,093
Transfers	5,708,025	3,973,821	4,162,160	3,674,512	3,384,630
Total governmental activities	61,543,650	54,219,942	52,204,805	50,129,342	47,751,634
Business-Type Activities:					
Unrestricted investment earnings	127,777	119,568	20,007	80,950	50,479
Miscellaneous	3,116	35,052	300,555	5,380	6,909
Transfers	(5,708,025)	(3,973,821)	(4,162,160)	(3,674,512)	(3,384,630)
Total business-type activities	(5,577,132)	(3,819,201)	(3,841,598)	(3,588,182)	(3,327,242)
Total primary government	$ 55,966,518	$ 50,400,741	$ 48,363,207	$ 46,541,160	$ 44,424,392
Changes in Net Position:					
Governmental activities	$ 1,349,944	$ 1,972,979	$ 4,051,204	$ 4,279,015	$ 7,007,897
Business-type activities	(7,437,685)	(4,396,953)	(1,981,450)	(1,472,252)	(1,583,462)
Total primary government	$ (6,087,741)	$ (2,423,974)	$ 2,069,754	$ 2,806,763	$ 5,424,435

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Nonspendable	$ 97,974	$ 112,620	$ 155,829	$ 155,629	$ 235,578	$ 134,812	$ 341,273	$ 450,459	$ 669,275	$ 707,569
Restricted	1,740,797	1,548,032	1,345,276	1,128,109	986,704	572,174	567,522	476,163	1,123,587	868,715
Assigned	359,825	283,618	282,553	285,135	114,058	705,694	929,092	3,811,011	3,963,333	3,759,566
Unassigned	17,418,348	17,386,675	13,899,240	11,959,306	10,683,474	8,117,775	9,457,571	9,070,595	9,186,072	8,992,908
Total General fund	19,616,944	19,330,945	15,682,898	13,528,179	12,019,814	9,530,455	11,295,458	13,808,228	14,942,267	14,328,758
All other governmental funds										
Nonspendable	67,896,937	25,694	90,038	15,408	35,791	51,958	33,195	50,288	27,002	47,202
Restricted	67,879,762	59,937,737	38,419,489	33,168,349	30,949,263	29,505,140	44,653,934	74,611,779	63,631,314	60,696,117
Committed	4,779,372	3,068,399	4,733,528	2,251,461	2,130,744	2,067,819	1,565,680	1,070,103	4,161,319	3,622,301
Assigned	4,239,831	5,813,543	7,262,781	8,318,816	19,884,686	22,476,772	19,075,193	10,674,838	17,280,746	16,333,423
Unassigned	(25,398)	-	-	-	-	-	(406,809)	-	-	-
Total all other governmental funds	144,770,504	68,845,373	50,505,836	43,754,034	53,000,484	54,101,689	64,921,193	86,407,008	85,100,381	80,699,043
Total all governmental funds	$ 164,387,448	$ 88,176,318	$ 66,188,734	$ 57,282,213	$ 65,020,298	$ 63,632,144	$ 76,216,651	$ 100,215,236	$ 100,042,648	$ 95,027,801

Notes: GASB 54 Fund Balance reporting was implemented in 2011.

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017
Revenues					
Taxes	$ 63,924,362	$ 60,849,339	$ 59,608,600	$ 57,455,121	$ 54,092,627
Licenses and permits	3,212,074	2,581,001	2,550,598	2,150,745	2,326,087
Charges for services	6,730,132	6,214,339	7,446,486	7,086,865	6,120,805
Gas utility leases and royalties	659,357	407,632	519,830	555,185	454,264
Fines	2,005,086	1,840,751	2,088,401	1,973,660	2,212,430
Civil citations	-	-	-	-	1,088,773
Contributions	227,365	264,029	281,178	428,977	362,139
Special assessments	940,378	-	4,199	8,764	775
Investment income	77,182	1,626,298	2,203,691	385,620	304,456
Intergovernmental	4,520,452	13,660,474	5,195,951	6,892,700	6,194,623
Forfeitures	126,593	56,939	114,246	86,783	92,346
Developer contributions	-	-	-	-	-
Miscellaneous	443,472	652,030	1,858,022	333,603	354,955
Total Revenues	82,866,453	88,152,832	81,871,202	77,358,023	73,604,280
Expenditures					
General government	9,630,266	10,615,947	10,497,502	10,259,209	10,447,419
Public safety	36,210,406	35,964,977	35,480,280	34,610,632	33,044,578
Culture and recreation	10,106,261	9,898,855	10,514,871	10,335,379	10,186,032
Public works	6,105,740	5,308,773	3,258,397	3,193,928	3,153,832
Capital outlay	12,170,148	11,802,985	13,463,999	19,572,041	15,089,154
Debt Service:					
Principal retirement	11,130,000	10,595,000	10,630,000	10,745,000	10,515,000
Interest and fiscal charges	4,041,070	3,998,358	3,586,252	3,941,465	4,165,468
Bond issuance costs	252,062	1,273,158	216,920	-	-
Total Expenditures	89,645,953	89,458,053	87,648,221	92,657,654	86,601,483
Excess of revenues over (under) expenditures	(6,779,500)	(1,305,221)	(5,777,019)	(15,299,631)	(12,997,203)
Other Financing Sources (Uses)					
Issuance of debt	18,030,000	8,425,000	8,490,000	-	7,545,000
Issuance of refunding debt	245,000	3,795,000	4,865,000	-	1,695,000
Premium on issuance of debt	1,418,470	1,082,100	738,173	-	362,160
Payment to refunded bond escrow agent	(258,003)	(4,182,132)	(5,380,743)	-	(1,682,019)
Proceeds from sale of assets	8,473	57,892	484,003	2,712,686	505,650
Transfers in	12,365,782	20,663,183	14,220,231	12,180,950	14,617,046
Transfers (out)	(6,747,730)	(18,128,238)	(8,733,124)	(7,332,100)	(8,657,479)
Total other financing sources (uses)	25,061,992	11,712,805	14,683,540	7,561,536	14,385,358
Net change in fund balances	$ 18,282,492	$ 10,407,584	$ 8,906,521	$ (7,738,095)	$ 1,388,155
Debt service as a percentage of noncapital expenditures	18.7%	19.1%	19.5%	19.8%	20.4%

	2016	2015	2014	2013	2012
Revenues					
Taxes	$ 51,253,936	$ 49,541,169	$ 47,625,477	$ 45,990,682	$ 43,777,983
Licenses and permits	2,534,768	1,520,086	1,632,278	1,764,004	1,543,875
Charges for services	6,027,624	5,904,848	6,681,429	6,800,050	6,715,031
Gas utility leases and royalties	263,932	664,788	1,187,340	-	-
Fines	1,892,511	2,222,995	1,990,953	2,424,064	2,421,696
Civil citations	1,322,940	1,226,567	990,714	923,282	778,393
Contributions	1,795,872	277,972	199,825	140,385	176,740
Special assessments	3,755	12,095	-	10,116	200
Investment income	475,680	437,668	319,622	177,178	415,326
Intergovernmental	6,121,987	4,305,248	5,072,166	4,467,635	5,732,323
Forfeitures	112,118	67,598	107,275	323,285	138,604
Developer contributions	-	-	600,000	-	-
Miscellaneous	366,569	263,251	388,858	1,318,985	1,363,579
Total Revenues	72,171,692	66,444,285	66,795,937	64,339,666	63,063,750
Expenditures					
General government	9,965,076	9,299,236	10,155,142	10,673,511	10,829,793
Public safety	31,277,423	30,050,383	29,022,814	28,317,163	26,959,990
Culture and recreation	9,634,940	9,534,702	9,231,503	9,290,204	9,163,107
Public works	3,088,996	3,024,822	2,924,516	3,563,149	3,601,659
Capital outlay	27,524,601	55,831,018	30,729,875	10,208,747	15,945,071
Debt Service:					
Principal retirement	11,187,728	9,999,376	8,578,960	8,523,434	8,846,947
Interest and fiscal charges	4,327,617	4,506,910	3,924,385	3,659,348	3,092,172
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	97,006,381	122,246,447	94,567,195	74,235,556	78,438,739
Excess of revenues over (under) expenditures	(24,834,689)	(55,802,162)	(27,771,258)	(9,895,890)	(15,374,989)
Other Financing Sources (Uses)					
Issuance of debt	1,850,000	22,215,000	24,360,000	9,845,000	26,224,251
Issuance of refunding debt	2,006,810	10,416,576	3,936,985	-	3,699,388
Premium on issuance of debt	97,212	3,265,946	310,000	300,486	546,164
Payment to refunded bond escrow agent	(2,025,720)	(10,416,576)	(3,936,985)	-	(3,809,076)
Proceeds from sale of assets	3,977,054	136,558	19,500	799,045	3,145,280
Transfers in	19,233,421	12,337,451	16,597,422	7,782,662	8,705,604
Transfers (out)	(12,888,595)	(6,151,378)	(13,343,076)	(3,816,456)	(4,842,779)
Total other financing sources (uses)	12,250,182	31,803,577	27,943,846	14,910,737	33,668,832
Net change in fund balances	$ (12,584,507)	$ (23,998,585)	$ 172,588	$ 5,014,847	$ 18,293,843
Debt service as a percentage of noncapital expenditures	20.8%	20.9%	18.9%	19.0%	19.2%

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 5

APPRAISED AND TAXABLE VALUE OF PROPERTY

Last Ten Fiscal Years

Fiscal Year	Tax Year	Appraised Residential Property[1]	Appraised Commercial Property	Appraised Industrial Property	Appraised Other Property[2]	Personal Property	Estimate for ARB & Incomplete	Less Tax Exempt Property	Estimated Net Taxable Value	Total Direct Tax Rate
2012	2011	$ 2,771,215,853	$ 1,314,489,854	$ 24,818,749	$ 21,212,859	$ 302,955,622	$ 131,117,657	$ 947,626,573	$ 3,618,184,021	0.57000
2013	2012	2,785,739,578	1,381,473,075	24,346,385	47,706,246	312,039,668	84,494,809	903,068,001	3,732,731,760	0.61000
2014	2013	2,868,511,402	1,441,819,516	25,428,750	40,136,107	311,311,919	90,219,997	936,363,242	3,841,064,449	0.61000
2015	2014	3,051,185,373	1,493,156,269	27,110,792	49,727,661	324,807,300	66,663,269	956,622,434	4,056,028,230	0.61000
2016	2015	3,117,914,468	1,538,511,112	19,220,094	46,060,377	326,962,414	173,753,349	1,072,233,887	4,150,187,927	0.61000
2017	2016	3,540,397,856	1,721,550,137	26,729,937	27,615,504	312,681,455	263,198,321	1,292,478,020	4,599,695,190	0.61000
2018	2017	3,993,343,172	1,956,678,814	26,686,683	24,263,442	357,297,914	224,247,353	1,418,958,570	5,163,558,808	0.59000
2019	2018	4,355,697,880	2,116,508,756	27,218,496	35,225,850	392,810,455	138,916,899	1,415,773,177	5,650,605,159	0.58500
2020	2019	4,812,901,628	2,241,160,157	31,415,440	50,684,038	406,907,002	229,471,415	1,585,662,386	6,186,877,294	0.57200
2021	2020	5,062,264,162	2,309,546,837	32,577,105	48,806,708	418,908,297	392,770,420	1,915,679,645	6,349,193,884	0.57570

Source: 2007-2015 - July 25th Tarrant Appraisal District Certified Tax Roll and City budget
2016 - December Tarrant Appraisal District Certified Tax Roll and City budget

[1] Due to a change in Tarrant Appraisal District, the structure of the information presented in the July Certified Tax Roll changed beginning in 2008.

[2] This category includes properties under protest with the appraisal review board and properties classified as incomplete by Tarrant Appraisal District at the time NRH City Council approves the Tax Rolls for the budget year. The net taxable values are those approved by City Council by resolution.

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 6

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

(per $100 assessed value)

Last Ten Fiscal Years

	City of North Richland Hills							
Fiscal Year	General fund[2]	Debt service fund[2]	Total[2]	Junior college[1]	Birdville school district[1]	Hospital[1]	County[1]	Total
2012	0.35642	0.21358	0.57000	0.14897	1.43500	0.22790	0.26400	2.64587
2013	0.35108	0.25892	0.61000	0.14897	1.43500	0.22790	0.26400	2.68587
2014	0.34904	0.26096	0.61000	0.14950	1.43500	0.22790	0.26400	2.68640
2015	0.35058	0.25942	0.61000	0.14950	1.43500	0.22790	0.26400	2.68640
2016	0.36473	0.24527	0.61000	0.14950	1.45390	0.22790	0.26400	2.70530
2017	0.34808	0.26192	0.61000	0.14473	1.45390	0.22790	0.25400	2.69053
2018	0.32864	0.26136	0.59000	0.14006	1.45390	0.22443	0.24400	2.65239
2019	0.32709	0.25791	0.58500	0.13607	1.45390	0.22443	0.23400	2.63340
2020	0.33494	0.23706	0.57200	0.13017	1.38390	0.22443	0.23400	2.54450
2021	0.34361	0.23209	0.57570	0.13017	1.38030	0.22443	0.23400	2.54460

Sources: [1] Tarrant County

[2] City records

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 7

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Year ended September 30, 2021

Taxpayer	Type of Business	2020 Assessed Valuation*	% of Total Assessed Valuation
Star Delano LLC/Star Meadows LLC	Multi Family	$ 82,371,920	1.30%
SPI Hometown 316 DE LLC/SPI Wood Meadow 222 LLC	Multi Family	78,452,000	1.24%
Company One LLC/Company Two LLC	Real Estate	70,107,070	1.10%
8500 Harwood Gardens LP	Multi Family	59,010,019	0.93%
Wal-Mart Real Estate Bus Trust/Stores Tex	Retail	53,498,100	0.84%
Silver Creek LL LLC	Multi Family	52,100,000	0.82%
Sovereign at Hometown LLC	Multi Family	47,139,595	0.74%
Devon Square LLC	Multi Family	43,500,000	0.69%
Rockport NRH LLC	Multi Family	40,668,520	0.64%
26 at City Point LLC	Multi Family	40,000,000	0.63%
		$ 566,847,224	8.93%

Year ended September 30, 2012

Taxpayer	Type of Business	2011 Assessed Valuation*	% of Total Assessed Valuation
Wal-Mart	Retail	$ 64,586,924	1.79%
Hospital Corporation of America	Healthcare Provider	42,733,217	1.18%
Venue at Home Town LTD ETAL	Property Developer	27,700,000	0.77%
Alliance PP2 FX3 LP	Commercial/Real Estate	26,214,378	0.72%
Oncor Electric Delivery Co	Utility Service Provider	26,167,878	0.72%
BGPC Equestrain	Real Estate	25,000,000	0.69%
Ap Wp N Richland Hills Reit	Multi Family	23,430,000	0.65%
Ap Wp Green Reit LLC	Multi Family	23,000,000	0.64%
Company One, LLC	Real Estate	19,741,000	0.55%
Five Star Ford	Automotive Dealership	15,397,540	0.43%
		$ 293,970,937	8.14%

* Source: Tarrant Appraisal District

The Maker Spot is a 4,500 sq. ft. makerspace on the second floor of the NRH Library. The Maker Spot is a community workspace where Library cardholders can come to create, explore, collaborate and innovate. The Maker Spot, opened in 2015, was funded by a Special Projects grant from the Texas State Library and Archives and the Institute for Museum and Library Services.

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 8

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy	Amount	Amount	Percent of Levy
2012	2011	0.57000	$ 20,623,649	$ 20,370,425	98.77%	$ 227,165	$ 20,597,590	99.87%
2013	2012	0.61000	22,769,664	22,175,814	97.39%	545,618	22,721,432	99.79%
2014	2013	0.61000	23,430,493	22,797,806	97.30%	581,300	23,379,106	99.78%
2015	2014	0.61000	24,472,461	23,954,022	97.88%	473,771	24,427,793	99.82%
2016	2015	0.61000	25,342,035	24,810,326	97.90%	473,039	25,283,365	99.77%
2017	2016	0.61000	28,102,997	27,221,718	96.86%	834,632	28,056,350	99.83%
2018	2017	0.59000	30,455,592	29,254,234	96.06%	1,123,646	30,377,880	99.74%
2019	2018	0.58500	32,788,890	31,270,097	95.37%	253,717	31,523,815	96.14%
2020	2019	0.57200	35,061,148	33,251,865	94.84%	228,189	33,480,054	95.49%
2021	2020	0.57570	37,064,012	35,000,652	94.43%	-	35,000,652	94.43%

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 9

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years (dollars in thousands, except per capita)

		General Bonded Debt						
Fiscal Year	Estimated Population [1]	Net Taxable Value [2]	General Obligation Bonds	Certificates of Obligation	Loans Payable	Total General Bonded Debt	Percentage of Net Taxable Value	General Bonded Debt Per Capita [1]
2012	63,420	$ 3,618,184	$ 65,283	$ 33,330	$ 840	$ 99,453	2.75%	$ 1,568
2013	63,420	3,732,732	70,179	30,910	311	101,400	2.72%	1,599
2014	65,690	3,841,064	81,512	36,050	-	117,562	3.06%	1,790
2015	66,300	4,056,028	83,354	50,105	-	133,459	3.29%	2,013
2016	69,204	4,150,188	77,625	46,330	-	123,955	2.99%	1,791
2017	69,768	4,599,695	71,478	49,485	-	120,963	2.63%	1,734
2018	69,600	5,163,559	64,925	44,825	-	109,750	2.13%	1,577
2019	71,269	5,650,605	60,131	47,395	-	107,526	1.90%	1,509
2020	71,508	6,187,263	56,130	49,487	-	105,617	1.71%	1,477
2021	70,380	6,349,193	68,406	45,135	-	113,541	1.79%	1,613

	Other Gov't Activities Debt	Business-Type Activities							
Fiscal Year	Sales Tax Revenue bonds	General Obligation Bonds	Certificates of Obligation	Capital Leases	Total Business-type Activities	Total Primary Government [3]	Percentage of Net Taxable Value	Total Bonded Debt Per Capita [1]	Percentage of Per Capita Income [1]
2012	$ 1,645	$ 2,346	$ 16,415	$ 388	$ 19,149	$ 120,246	3.32%	$ 1,896	6.08%
2013	615	1,885	15,300	317	17,502	119,517	3.20%	1,885	5.87%
2014	210	1,815	15,280	245	17,340	135,112	3.52%	2,057	6.47%
2015	105	2,012	13,670	163	15,845	149,409	3.68%	2,254	7.00%
2016	-	3,452	14,980	92	18,524	142,479	3.43%	2,059	6.33%
2017	-	3,190	13,605	253	17,048	138,011	3.00%	1,978	5.73%
2018	-	2,737	12,455	175	15,367	125,117	2.42%	1,798	5.16%
2019	-	4,784	14,665	77	19,526	127,052	2.25%	1,783	4.91%
2020	-	3,949	20,772	308	25,029	130,647	2.11%	1,827	4.91%
2021	-	3,390	20,274	232	23,896	137,437	2.16%	1,953	5.02%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See Table 13 for additional population statistics.

[2] See Table 5 for additional information on net taxable value.

[3] Includes general bonded debt, other governmental activities debt, and business-type activities debt, net of premiums and discounts.

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 10

DIRECT AND ESTIMATED OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Last Ten Fiscal Years

Taxing Jurisdiction	Net Bonded Outstanding Debt	Overlapping Percentage Applicable [2]	Overlapping City Share of Overlapping Debt
City of North Richland Hills	$ 129,795,000 [1]	100.00%	$ 129,795,000
Birdville Independent School District	440,840,000	48.34%	213,102,056
Hurst-Euless-Bedford	343,375,000	0.06%	206,025
Keller Independent School District	877,564,989	3.62%	31,767,853
Tarrant County	213,675,000	2.99%	6,388,883
Tarrant County Hospital District	14,495,000	2.99%	433,401
Tarrant County College District	255,995,000	2.99%	7,654,251
Total Overlapping Debt			259,552,469
Total Direct and Overlapping Debt			$ 389,347,469

Source: Municipal Advisory Council of Texas

[1] Includes self-supporting governmental activities debt.

[2] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

The North Richland Hills Parks & Recreation Facilities Development Corporation Capital Improvement Program is funded through a voter approved half-cent sales tax authorized to fund the development of parks and recreational facilities for the community. The Corporation was established following voter approval in January 1992.

Since its inception in 1992, many accomplishments have been achieved. 902 acres of park land have been acquired, offering the following parks and recreational services to our citizens:

- 20 miles of multi-use trails creating a complete network of trails throughout the City
- 7 community parks
- 13 neighborhood parks
- 9 linear parks
- Richland Tennis Center
- NRH_2O Family Water Park
- Tipps Canine Hollow Dog Park
- Davis Emerald Pocket Park
- Stormy Plaza
- NRH Senior Center
- Common Ground NRH Community Garden

The 7-member Board of Directors is appointed by City Council and comprised of 4 City Council members and 3 citizen members.

CITY OF NORTH RICHLAND HILLS, TEXAS *Table 11*

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

Fiscal Year	Estimated Net Taxable Value	Debt Limit	Total Debt Service	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit
2012	$ 3,618,184,021	$ 54,272,760	$ 7,567,382	$ 46,705,378	13.94%
2013	3,732,731,760	55,990,976	8,768,411	47,222,565	15.66%
2014	3,841,064,449	57,615,967	9,565,203	48,050,764	16.60%
2015	4,056,028,230	60,840,423	11,196,142	49,644,281	18.40%
2016	4,150,187,927	62,252,819	12,709,626	49,543,193	20.42%
2017	4,599,695,190	68,995,428	11,668,135	57,327,293	16.91%
2018	5,163,558,808	77,453,382	16,751,884	60,701,498	21.63%
2019	5,650,605,159	84,759,077	16,849,964	67,909,113	19.88%
2020	6,187,263,435	92,808,952	16,435,242	76,373,710	17.71%
2021	6,349,193,884	95,237,908	17,076,637	78,161,271	17.93%

CITY OF NORTH RICHLAND HILLS, TEXAS

Table 12

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

	Park and Recreation Facilities Development Bonds						
Fiscal	Sales Tax	Less: Current	Net Revenue	Debt Service			
Year	Revenues	Expenditures[3]	Available[2]	Principal	Interest	Total [1]	Coverage
2012	$ 4,241,341	$ (5,580,061)	$ (1,338,720)	$ 1,030,000	$ 80,075	$ 1,110,075	(1.21)
2013	4,343,358	(5,729,298)	(1,385,940)	405,000	31,315	436,315	(3.18)
2014	4,506,169	(5,559,713)	(1,053,544)	355,000	117,243	472,243	(2.23)
2015	4,648,841	(5,703,671)	(1,054,830)	455,000	109,153	564,153	(1.87)
2016	4,837,974	(5,896,984)	(1,059,010)	240,000	89,055	329,055	(3.22)
2017	4,964,710	(6,235,946)	(1,271,236)	240,000	80,393	320,393	(3.97)
2018	5,140,554	(6,328,312)	(1,187,758)	430,000	197,685	627,685	(1.89)
2019	5,113,739	(6,502,089)	(1,388,350)	350,000	174,555	524,555	(2.65)
2020	5,509,712	(6,050,286)	(540,574)	345,000	164,030	509,030	(1.06)
2021	5,995,942	(6,355,624)	(359,682)	310,000	153,005	463,005	(0.78)

[1] Includes interest and fiscal agent charges.

[2] Bond covenant for sales tax revenue bonds mandates sufficient fund balance to cover average debt service payments unpaid. Negative coverage indicates that fund balance reserves are being used to cover debt service requirements. The City has sufficient fund balance coverage to pay all debt service due.

[3] Excludes capital outlay.

CITY OF NORTH RICHLAND HILLS, TEXAS *Table 13*

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Estimated Population [2]	Median Income [6]	Per Capita Income [6]	Median Age [6]	Education Level [6, 7]	School Enrollment [1, 5]	Unemployment Rate [3]
2012	63,420	$ 78,911	$ 31,175	38.2	91%	10,843	6.3%
2013	63,420	82,051	32,079	38.4	91%	10,883	5.5%
2014	65,690	81,100	31,766	38.5	95%	10,795	4.9%
2015	66,300	66,475	32,176	38.6	92%	11,452	3.3%
2016	69,204	65,121	32,549	38.9	92%	11,206	3.8%
2017	69,768	66,884	34,520	39.1	92%	10,970	3.8%
2018	69,600	67,812	34,839	39.2	93%	10,917	3.4%
2019	71,269	71,338	36,296	39.5	92%	11,070	3.0%
2020	71,508	71,098	37,239	39.5	92%	10,723	3.0%
2021	70,380	74,133	38,888	39.9	93%	10,616	3.9%

Data Sources:

[1]Birdville Independent School District

[2]City estimates

[3]Texas Employment Commission

[4]Population was adjusted based on census.

[5]Includes North Richland Hills students only

[6]ESRI Business Information Solutions, Inc.

[7]Reported as a percentage of residents with a high school diploma or greater

The annual NRH Holiday Magic Christmas Tree Lighting & Family Festival is held each December with activities including visits from Santa and Mrs. Claus, children's activities, performances on the community stage, and a holiday-themed firework show.

CITY OF NORTH RICHLAND HILLS, TEXAS *Table 14*

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Year ended September 30, 2021

Employer	Employees [3]	Rank	Percentage of Total City Employment *
Santander Consumer USA, Inc.	1,500	1	3.85%
City of North Richland Hills	820	2	2.10%
Birdville ISD[1]	751	3	1.93%
Wal-Mart Supercenters	740	4	1.90%
Medical City North Hills	615	5	1.58%
Tarrant County College - NE Campus[2]	492	6	1.26%
Health Markets HQ	452	7	1.16%
Stericycle	400	8	1.03%
Tyson Prepared Foods	380	9	0.97%
Prestige Ameritech	300	10	0.77%
	6,450		16.54%

Year ended September 30, 2012

Employer	Employees [3]	Rank	Percentage of Total City Employment *
Santander Consumer USA, Inc.	1,343	1	3.92%
North Hills Hospital	818	2	2.38%
Wal-Mart Supercenters	752	3	2.20%
Birdville ISD1	732	4	2.14%
HealthMarkets	556	5	1.62%
City of North Richland Hills	534	6	1.56%
Tarrant County College - NE Campus2	449	7	1.31%
Tyson Prepared Foods	425	8	1.24%
Silverleaf Resorts	386	9	1.13%
Con-Way Freight, Inc.	290	10	0.85%
	6,285		18.35%

[1]Number denotes employees working in schools in the City of North Richland Hills.

[2]Split with Hurst.

[3]Actual number of employees employed at time of reporting.

* Source: City records

CITY OF NORTH RICHLAND HILLS, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function	2021	2020	2019	2018	2017
General government					
Administration	7.00	7.00	7.00	7.00	6.00
Public information	3.50	3.50	3.00	3.00	3.00
Judicial	15.00	15.00	15.00	15.00	15.00
Finance	22.50	22.50	22.50	22.50	22.00
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Human resources	1.00	1.00	1.00	1.00	1.00
Planning and inspections	12.30	12.30	12.30	12.30	12.30
Neighborhood services	21.78	21.78	21.78	21.78	19.73
Budget and research	3.00	3.00	3.00	3.00	3.00
Public relations	3.50	3.50	3.50	3.50	3.50
Total general government	90.58	90.58	90.08	90.08	86.53
Public safety					
Police	201.86	200.86	200.86	195.86	203.13
Fire	100.00	100.00	100.00	94.00	94.00
Total public safety	301.86	300.86	300.86	289.86	297.13
Culture and recreation					
Parks and recreation	148.87	149.87	150.24	148.25	161.95
Library	27.53	27.53	27.74	27.74	27.53
Economic development	3.00	3.00	3.00	3.00	3.00
Total culture and recreation	179.40	180.40	180.98	178.99	192.48
Public works	78.70	79.70	79.70	79.70	69.43
Internal services					
Building services	17.25	17.25	16.38	13.88	13.63
Equipment services	12.00	12.00	12.00	13.00	13.00
Self-insurance	5.00	5.00	5.00	5.00	5.00
Information services	12.00	12.00	12.00	12.00	12.00
Total internal services	46.25	46.25	45.38	43.88	43.63
Total full-time equivalents	696.79	697.79	697.00	682.51	689.20

Source: City operating budget

Function	2016	2015	2014	2013	2012
General government					
Administration	5.00	5.00	4.70	4.70	4.70
Public information	4.00	4.00	4.00	4.00	4.00
Judicial	15.00	15.00	15.00	15.00	15.00
Finance	23.00	23.00	23.00	22.00	23.00
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Human resources	1.00	1.00	1.00	1.00	1.00
Planning and inspections	10.30	10.30	10.30	10.30	8.30
Neighborhood services	19.73	19.73	18.75	18.75	18.75
Budget and research	3.00	3.00	3.00	3.00	3.00
Public relations	3.50	3.50	3.75	3.75	3.75
Total general government	85.53	85.53	84.50	83.50	82.50
Public safety					
Police	193.88	191.88	189.88	187.88	186.88
Fire	94.00	91.00	91.00	91.00	90.00
Total public safety	287.88	282.88	280.88	278.88	276.88
Culture and recreation					
Parks and recreation	163.48	162.10	162.70	160.25	145.55
Library	28.03	27.11	27.11	27.11	27.11
Economic development	3.00	3.00	3.00	4.00	3.00
Total culture and recreation	194.51	192.21	192.81	191.36	175.66
Public works	79.18	78.18	78.18	79.68	77.68
Internal services					
Building services	15.63	15.63	15.73	15.23	16.23
Equipment services	13.00	13.00	13.00	13.00	13.00
Self-insurance	5.00	5.00	5.10	5.10	5.10
Information services	12.00	12.00	12.00	12.00	11.00
Total internal services	45.63	45.63	45.83	45.33	45.33
Total full-time equivalents	692.73	684.43	682.20	678.75	658.05

Source: City operating budget

Function	2021	2020	2019	2018	2017
General Government					
Planning and inspections					
Construction					
Commercial units	24	27	29	21	31
Commercial value	$ 45,570,582	$ 15,022,201	$ 49,609,337	$ 67,800,454	$ 53,156,352
Residential units	306	253	211	234	233
Residential value	$ 100,525,572	$ 80,289,238	$ 70,298,392	$ 80,589,505	$ 81,180,734
Public safety					
Police					
Law violations [1]	1,729	1,931	2,333	2,697	2,772
Part one offenses	1,890	1,393	1,655	1,830	1,662
Traffic violations	10,115	17,245	17,953	7,721	18,404
Calls for service	44,390	40,070	39,448	123,112	120,098
Case clearance %	41%	46%	54%	47%	52%
Fire					
Total responses	9,116	8,025	8,234	8,354	8,205
Fire responses	2,836	2,494	2,549	2,691	2,567
EMS responses	6,280	5,531	5,685	5,663	5,638
% responses < 5 minutes (4)	-	-	67%	66%	56%
% responses < 4 minutes (4)	29%	55%	-	-	-
% responses < 8 minutes (4)	95%	94%	-	-	-
Total inspections	1,434	1,711	2,958	3,201	2,549
Culture and recreation					
Parks and recreation					
Water park admissions	181,808	12,501	185,971	184,064	202,515
Golf rounds played	44,362	18,961	46,915	42,953	49,147
Library					
Number of volumes	150,086	146,928	162,460	164,482	179,303
Annual circulation	657,608	576,827	728,605	778,166	764,520
Annual loans per capita	9.34	8.07	10.72	11.18	10.96
Public Works					
Water					
Avg daily consumption [2]	1,181,115	1,201,993	1,101,439	1,247,915	1,153,565
Peak daily consumption [2]	2,252,406	2,649,332	2,345,187	2,614,572	2,096,524
Streets					
Street overlay - miles	2	7	4	7	6
Concrete pavement repair - sq. ft.	34,550	7,810	4,324	5,166	13,921
Pothole repair - sq. ft.	8,073	4,522	8,521	4,800	3,018
Street cut - sq. ft.	27,015	79,110	68,430	93,310	147,676
Sign fabrication	437	684	1,158	1,599	1,332

Source: City Records

[1] Excludes traffic violations.

[2] Cubic feet.

[3] Remodels included in error.

[4] New records system implemented for Fire.

[5] Inspection numbers unavailable for the year due to changes in the computer record management system and procedures.

[6] Conversion to new computer record management system incomplete therefore Company Inspections are unavailable.

[7] Decrease due to the installation of the Fibre Crete this year.

[8] Increase in inspections is due to it being the first year that the record keeping has been fully migrated/implemented/online and pushed out to the companies as well as working out issues with the iPads and Firehouse software (RMS system) program.

[9] Decreased due to an inaccurate reflection in previous years.

Function	2016	2015	2014	2013	2012
General Government					
Planning and inspections					
Construction					
Commercial units	20	65	35	25	91 [3]
Commercial value	$ 13,603,082	$ 11,481,833	$ 14,309,733	$ 15,498,935	$ 7,533,480 [3]
Residential units	238	122	321	189	168
Residential value	$ 75,615,139	$ 36,838,614	$ 27,754,692	$ 46,472,244	$ 42,138,527
Public safety					
Police					
Law violations [1]	2,595	3,144	3,014	3,215	3,463
Part one offenses	1,560	1,868	1,644	1,960	1,791
Traffic violations	17,566	21,305	17,052	22,215	22,155
Calls for service	111,984	112,313	107,393	114,269	115,644
Case clearance %	23%	28%	23%	58%	26%
Fire					
Total responses	7,932	7,475	7,276	7,189	7,064
Fire responses	2,402	2,221	2,412	2,275	2,235
EMS responses	5,530	5,254	4,864	4,914	4,829
% responses < 5 minutes (4)	64%	74%	70%	58%	70%
% responses < 4 minutes (4)	-	-	-	-	-
% responses < 8 minutes (4)	-	-	-	-	-
Total inspections	3,143	1,232	1,201	768	- [5]
Culture and recreation					
Parks and recreation					
Water park admissions	221,101	227,525	219,077	242,490	272,336
Golf rounds played	47,873	43,250	45,339	48,229	50,524
Library					
Number of volumes	174,156	214,867	202,103	204,302	206,840
Annual circulation	814,070	939,022	854,452	771,994	947,883
Annual loans per capita	11.76	14.16	13.01	12.17	14.95
Public Works					
Water					
Avg daily consumption [2]	1,160,247	1,165,254	1,219,696	1,278,326	1,306,524
Peak daily consumption [2]	2,614,973	2,582,620	2,441,043	2,624,198	2,938,102
Streets					
Street overlay - miles	4	4	4	1	4
Concrete pavement repair - sq. ft.	14,052	3,113	6,258	6,488	5,322
Pothole repair - sq. ft.	4,767	4,467	2,677	2,152	4,577
Street cut - sq. ft.	162,607	153,559	163,910	86,160	176,844
Sign fabrication	1,215	1,179	850	973	852

Source: City Records

[1] Excludes traffic violations.

[2] Cubic feet.

[3] Remodels included in error.

[4] New records system implemented for Fire.

[5] Inspection numbers unavailable for the year due to changes in the computer record management system and procedures.

[6] Conversion to new computer record management system incomplete therefore Company Inspections are unavailable.

[7] Decrease due to the installation of the Fibre Crete this year.

[8] Increase in inspections is due to it being the first year that the record keeping has been fully migrated/implemented/online and pushed out to the companies as well as working out issues with the iPads and Firehouse software (RMS system) program.

[9] Decreased due to an inaccurate reflection in previous years.

Function	2021	2020	2019	2018	2017
Public safety					
Police Stations	1	1	1	1	1
Fire Stations	5	5	5	5	5
Fire hydrants	2,337	2,318	2,304	2,279	2,256
Culture and recreation					
Parks and recreation					
Parks	39	39	39	39	39
Park acreage	899	899	899	899	899
Playgrounds	22	22	22	22	22
Trails - miles	35[3]	31	31	31	31
Golf courses	1	1	1	1	1
Recreations centers	1	1	1	1	1
Athletic fields	53	53	53	53	53
Senior centers	1	1	1	1	1
Library					
Libraries	1	1	1	1	1
Public Works[2]					
Water mains - miles	379	374	372	372	371
Water connections	23,317	22,990	22,707	22,492	22,233
Wastewater lines - miles	260	257	255	257	256
Wastewater connections	21,558	21,237	20,958	20,711	20,430
Storm drain - miles	142	141	140	139	139
Streets - miles	248	247	246	244	241
Street lights	2,990	2,980	2,977	2,948	2,550

Source: City Records

[1] New Senior Center in NRH Centre combined/closed Dan Echols and Bursey Road Senior Citizens Centers

[2] Department's system inventory report was calculated by outside source.

[3] Addition of Mountain Bike Trails

Function	2016	2015	2014	2013	2012
Public safety					
Police Stations	1	1	1	1	1
Fire Stations	5	4	4	4	4
Fire hydrants	2,251	2,219	2,202	2,162	2,127
Culture and recreation					
Parks and recreation					
Parks	34	33	33	33	33
Park acreage	735	734	734	709	709
Playgrounds	22	22	22	20	20
Trails - miles	31	30	30	21	21
Golf courses	1	1	1	1	1
Recreations centers	1	1	1	1	1
Athletic fields	53	53	53	53	53
Senior centers	1	1	1	1	1[1]
Library					
Libraries	1	1	1	1	1
Public Works[2]					
Water mains - miles	370	367	356	355	351
Water connections	21,988	21,329	21,141	20,936	20,792
Wastewater lines - miles	255	252	293	292	290
Wastewater connections	20,212	19,919	19,761	19,603	19,469
Storm drain - miles	139	139	139	139	139
Streets - miles	241	238	238	238	238
Street lights	2,545	2,545	2,545	2,545	2,545

Source: City Records

[1] New Senior Center in NRH Centre combined/closed Dan Echols and Bursey Road Senior Citizens Centers

[2] Department's system inventory report was calculated by outside source.

[3] Addition of Mountain Bike Trails

The North Richland Hills City Hall opened in May 2016. The 182,000 square foot for the new facility includes about 89,000 square feet for Public Safety operations, about 78,500 square feet for City Hall and about 14,500 square feet for Municipal Court. Prior to the opening of City Hall, city services were housed in six buildings on three different campuses.

Glossary

The Smithfield TEXRail station is one of two stations in North Richland Hills offering commuter-rail service to Fort Worth and the Dallas-Fort Worth International Airport. The Iron Horse station is the second TEXRail station within the City.

ACCOUNT
A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNT PAYABLE
A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE
An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM
The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING
A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST
Interest that has been earned and recorded, but has not been received.

ACFR
ACFR is an acronym for **Annual comprehensive financial report**. (See also *ANNUAL COMPREHENSIVE FINANCIAL REPORT.*)

ACTUARIAL
Relating to actuaries or their work of compiling and analyzing statistical calculations to assess risk in insurance, finance and other industries and professions.

AD VALOREM TAX (See also *PROPERTY TAX.*)
A tax based on value of land and improvements (property tax).

AGENDA
A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the Open Meetings Act.

AMORTIZE
To amortize is to allocate the cost of an intangible asset over a period of time.

ANNUITY
A fixed sum of money paid to someone each year, typically for the rest of their life.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Annual comprehensive financial report (ACFR) is a set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board.

APPROPRIATION
An authorization granted by City Council to make expenditures and to incur obligations for specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE
With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION
A valuation set upon real estate or other property by government as a basis for levying taxes. (See also *TAXABLE VALUE.*)

ASSETS
Property owned by a government, which has economic value, especially which could be converted to cash.

AUDIT
In general, an official inspection of an individual's or organization's accounts by an independent body. The City's charter requires an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by an independent certified public accountant. In practice, that means the City contracts with an independent certified public accountant to audit the year-end financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

AUDIT COMMITTEE
The Audit Committee is responsible for recommending to the City Council an independent auditor as needed, reviewing the audit of the City's basic financial statements prior to submission to the City Council, and assisting the independent auditor and city staff with the presentation of the audit to the City Council. The Audit Committee is composed of members of the City Council as well as the City Manager and the City's Director of Finance.

BALANCE SHEET
A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET
A budget in which total recurring expenditures for any fiscal year do not exceed total recurring revenues for that same fiscal year.

BASE LEVEL SERVICES
Funding required to meet current service level.

BASIC FINANCIAL STATEMENTS
The basic financial statements are comprised of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the related notes to the financial statements, and are subjected to an annual audit by an independent certified public accountant. The basic financial statements are included in the Annual comprehensive financial report along with unaudited information, including introductory information, required supplementary information, other supplementary information, and statistical information.

BASIS OF ACCOUNTING
Refers to when revenues and expenditures are recognized in the accounts and reported in the financial records of the City, regardless of the measurement focus applied. Accounting records for governmental fund types are maintained on a modified accrual basis of accounting, with revenue being recorded when available and measurable, and expenditures being recorded when services or goods are received and the liabilities are incurred.

BASIS OF BUDGETING (See also *MODIFIED ACCRUAL.*)
The City's basis for budgeting is the modified accrual basis for governmental funds, including the General Fund. Budgeting for proprietary funds, which includes the Enterprise Fund, is essentially on the full accrual basis. Encumbrances are recognized by both governmental and proprietary funds since encumbrances represent a commitment of funding for goods and services.

BEGINNING BALANCE
The residual non-restricted funds brought forward from the previous fiscal year (ending balance).

BONDS
Debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or formula for determining the interest rate.

BOND DEBT
That portion of indebtedness represented by outstanding bonds.

BOND PROPOSITION
A recommendation to issue debt and a proposal as to the best use of the bonds.

BUDGET
A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometime used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET AMENDMENT
A revision of the adopted budget that, when approved, replaces the original provision and increases or decreases the budget appropriation.

BUDGET CALENDAR
The schedule of key dates that a government follows in preparation and adoption of the budget.

BUDGET ENHANCEMENT
A request to enhance current service level beyond current funding.

BUDGET ORDINANCE
Governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

BUDGET PERIOD
The period for which a budget is proposed or a budget ordinance is adopted.

BUDGETARY CONTROL
The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUDGETED FUNDS
Funds for which annual budgets are legally adopted, as opposed to non-budgeted funds for which annual budgets are not legally adopted. Budgeted funds are typically supported by tax revenues, charges for services, fees, fines, and/or penalties, while non-budgeted funds are typically supported by transfers from other funds, grant revenue, donations, or regulated fees such as municipal court fees.

BUSINESS-TYPE ACTIVITIES
Business-type activities include any activity engaged in the primary purpose of making a profit. Business- type activities are financed in whole or in part by fees charged to external users for goods or services and are generally reported in Enterprise Funds.

CAPITAL IMPROVEMENT
The addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increase its useful life or adapt it to new uses.

CAPITAL IMPROVEMENT PLAN
A comprehensive plan that projects the capital needs of a community. Generally, it is a cyclical process that estimates the needs for a set number of years. Capital Improvements Plans are essential for sound infrastructure and financial planning.

CAPITAL ASSET
An item costing more than $10,000 and having a useful life of more than four years.

CAPITAL EXPENDITURE
Also called a CAPITAL OUTLAY — An expenditure to acquire a capital asset.

CAPITAL PROJECTS FUND
Is used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for capital improvement projects.

CASH BASIS
A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CASH EQUIVALENTS
Cash equivalents are investments securities that are for short-term investing, and they have high credit quality and are highly liquid. Cash equivalents, also known as "cash and equivalents," are one of the three main asset classes, along with stocks and bonds. These securities have a low-risk, low-return profile and include U.S. government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

CHART OF ACCOUNTS
The classification system used by the City to organize the accounting for various funds.

CHARTER
A written instrument setting forth principles and laws of government within boundaries of the City.

CIP
CIP is an acronym for **Capital Improvement Plan**. (See also *CAPITAL IMPROVEMENT PLAN.*)

CITY COUNCIL
The legislative body that governs the City.

CITY COUNCIL PRIORITIES
A five-year planning horizon focusing on safety, infrastructure and facilities, residential and recreational, budget and finance, and commercial redevelopment.

CITY MANAGER
An appointed official who directs the administration of the City.

CITIZEN
An inhabitant of the City.

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Annual comprehensive financial report (ACFR) is a set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board. Prior to Fiscal Year 2022, the acronym was CAFR but was changed by GASB and GFOA to ACFR.

COMPREHENSIVE PLAN
A Comprehensive Plan is to anticipate and guide future development trends in a manner that will provide a community with a balance of land uses that promote a superior quality of life.

CONSUMER PRICE INDEX
The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living; the CPI is one of the most frequently used statistics for identifying periods of inflation or deflation. The CPI is calculated by the U.S. Bureau of Labor Statistics.

CONTINGENCY
Funds set aside in a reserve account for major expenditures or for emergencies.

COUNTERPARTY
A counterparty is the other party that participates in a financial transaction, and every transaction must have a counterparty for the transaction to go through.

CPI
CPI is an acronym for **Consumer Price Index**. (See also *CONSUMER PRICE INDEX.*)

CREDIT RISK
Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations.

CURRENT ASSETS
Cash and other assets expected to be converted to cash, sold, or consumed within in a year or in the operating cycle.

CURRENT FINANCIAL RESOURCES MEASUREMENT
Current financial resources measurement focus is where the financial statements report the near-term (current) inflows, outflows, and balances of expendable financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operation of governmental funds.

CURRENT LIABILITIES
Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

CUSTODIAL CREDIT RISK
In the case of deposits, this is the risk that the event of a bank failure, the City's deposits may not be returned to it. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that in the position of an outside party.

DEBT SERVICE
The amount of money required for interest and principal payments on an outstanding debt in any given year.

DEBT SERVICE FUND
Also called a SINKING FUND - A fund established to account for the accumulation of resources for the payment of principal and interest on long term debt.

DEBT RATE
The City's property tax rate has two components, the **general rate** which generates property tax revenues used to fund operations and the **debt rate** which generates property tax revenues used to fund the repayment of debt. (See also *PROPERTY TAX RATE.)*

DEFERRED INFLOW OF RESOURCES
Deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.

DEFERRED OUTFLOW OF RESOURCES
Deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. For example, prepaid items and deferred charges.

DEFICIT
The excess of expenditures over revenues during an accounting period; or in the case of Enterprise Funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES
Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION
A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

DIRECTOR OF FINANCE DEPARTMENT
The officer of the City that has primary responsibility for managing the City's finances, including financial planning, management of financial risks, record-keeping, and financial reporting.

DISCOUNT RATE
The interest rate you need to earn on a given amount of money today to end up with a given amount of money in the future.

EFFECTIVE TAX RATE
The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENCLAVE
A portion of territory within or surrounded by a larger territory.

ECONOMIC RESOURCES
Economic resources are the goods or services available to the City used to produce valuable consumer products. The classic economic resources include land, labor and capital.

ECONOMIC RESOURCES MEASUREMENT FOCUS
Economic resources measurement focus is where a set of financial statements reports all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and trust funds, as well as for government-wide financial reporting.

ENCUMBRANCE
Obligations in the form of purchase orders, contracts, or other commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or actual liability is set up, at which point they become expenditures.

ENDING BALANCE
The dollars remaining after current expenditures for operations and debt service are subtracted from the sum of the beginning fund balance and current resources. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

ENTERPRISE FUND
A fund established to account for operations which: (a) finance and operate in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

EXPENDITURES
Decreases in net financial resources. They include current operating expenses that require the current or future use of net current assets, debt service, and capital outlay.

FEES
Charges for services.

FEMA
FEMA is an acronym for **Federal Emergency Management Agency**.

FIDUCIARY
A fiduciary is a person who holds a legal or ethical relationship of trust with one or more other parties (person or group of persons). Typically, a fiduciary prudently takes care of money or other assets for another person.

FINANCIAL STATEMENTS
Written records that convey the business activities and the financial performance of the City.

FISCAL FORECAST
A management tool that presents estimated information based on past, current, and projected financial conditions. This will help identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, or community services.

FISCAL YEAR
A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operation. The fiscal year for the City of North Richland Hills runs from October 1 to September 30 of the following year.

FIXED ASSETS
Assets of long-term character intended to continue to be held or used. Examples are land, buildings, and improvements such as machinery and equipment.

FIXED COST
Costs which do not change with increases or decreases in the amount of services provided, such as rent.

FRANCHISE
A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FTE
FTE is an acronym for **Full-Time Equivalent**. (See also *FULL TIME EQUIVALENT.)*

FULL TIME EQUIVALENT
A unit that indicates the workload of a single full-time worker. The concept is used to convert the hours worked by part-time employees into the hours worked by full-time employees. For example, someone who works a half-day would be 0.5 full time equivalents. The City budgets authorized employment positions using full time equivalents. For example, there might be a part-time library assistant position budgeted as 0.5 FTE, which would be the equivalent of one-half of a full-time employee.

FUND
A fiscal and accounting entity with a self-balancing set of accounts. A fund records cash and other financial resources, all related liabilities, residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE
The balance of net financial resources that is spendable or available. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

FUND BALANCE POLICY
A policy requiring a minimum fund balance to be kept in reserve. Fund balances over the policy requirements may be appropriated in the budget.

FUND FINANCIAL STATEMENTS
For governmental and proprietary funds, special and extraordinary items are reported separately at the bottom of the statement of revenues, expenditures and changes in fund balances or the statement of revenues, expenses and changes in net position, respectively.

FUNDING SOURCE
Specifically identified dollars allocated to meet budgeted requirements.

FY (as in FY 2021)
FY is an acronym for **Fiscal Year**. See *FISCAL YEAR*.

GAAP
GAAP is an acronym for **Generally Accepted Accounting Principles**. (See also *GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.)*

GENERAL FIXED ASSETS
Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds (as opposed to proprietary funds).

GENERAL FUND
A fund established to account for all financial resources except those required to be accounted for in another fund. Examples of General Fund departments include Parks, Facilities and Recreation, Fire Department, Library, Finance and Municipal Court, Streets and Drainage, Development Services, and Police Department.

GENERAL OBLIGATION BONDS (G.O. BONDS)
Bonds secured by the full faith and credit of the issuer. General obligation bonds issued by local units of government are secured by a pledge of the issuer's ad valorem taxing power. They are usually issued to pay for general capital improvements such as parks and streets.

GENERAL RATE
The City's property tax rate has two components, the **General Rate** which generates property tax revenues used to fund operations and the **Debt Rate** which generates property tax revenues used to fund the repayment of debt. The General Rate is sometimes referred to as the Maintenance and Operations Rate, or M&O Rate. (See also *PROPERTY TAX RATE.)*

GENERAL REVENUE
Funds acquired through business and property taxation. Monies that may be utilized for any purposes as received at the state and local levels of government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)
The uniform minimum standards of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

GEOGRAPHIC INFORMATION SYSTEM
A system is designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data allowing one to visualize, question, analyze, and interpret data to understand relationships, patterns, and trends.

GIS
GIS is an acronym for **Geographic Information System**. (See also *GEOGRAPHIC INFORMATION SYSTEM*.)

GOVERNEMENT-WIDE FINANCIAL STATEMENTS
Government-wide financial statements report information about the government as a whole without displaying individual funds or fund types.

GOVERNMENTAL ACCOUNTING
The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of government.

GOVERNMENTAL ACCOUNTING STANDARD BOARD (GASB)
The governing body that sets accounting standards specifically for governmental entities at the state and local level.

GOVERNMENTAL ACTIVITIES
Governmental activities are general government activities and are financed primarily through taxes. Governmental activities generally are reported in governmental funds. All general capital assets and general long-term liabilities are part of governmental activities as well. Common examples of governmental activities include general administration, public safety, education, streets and roads, and health and sanitation.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATION (GFOA)
Professional association of state/provincial and local finance officers in the United States and Canada dedicated to the sound management of government financial resources.

GOVERNMENTAL FUNDS
Funds generally used to account for tax-supported activities. There are five different types of governmental funds: general funds, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GRANT
A contribution by one government unit or funding source to another unit. The contribution is usually made to aid in a specified function (for example, education), but it is sometimes also for general purposes.

HOME RULE CHARTER
Texas cities operate under two different categories of local government: 1) General Law; and Home Rule. Texas law grants General Law cities limited specific authority. Cities under 5,000 in population are required to be General Law cities. Cities over 5,000 in population can adopt a Home Rule Charter which defines the structure, power, duties, and authority of the local government. Rather than looking to state statues to determine what they may do, as General Law cities must do, Home Rule cities look to their local charters to determine what they may do. A Home Rule city may generally take any action that is not prohibited by the Texas Constitution or statues as long as the authority is granted in the charter of the city. Home Rule is essentially the privilege of citizens at the grass roots level to manage their own affairs with minimal interference from the State.

INCOME
A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE
Immovable fixed assets having value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges, and streetlights.

INTERGOVERNMENTAL REVENUE
Revenue received from another governmental unit for a specific purpose.

INTEREST RATE RISK
Interest rate risk is the risk that arises for bond owners from fluctuating interest rates. How much interest rate risk a bond has depends on how sensitive its price is to interest rate changes in the market. The sensitivity depends on two things, the bond's time to maturity, and the coupon rate of the bond.

INTERESTED PARTY
People or organizations who may be affected by a situation.

INTERNAL CONTROLS
Processes designed to assure achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, loss prevention, and compliance with laws, regulations, and policies.

INVESTMENTS
Securities and real estate held for production of revenue in the form of interest, dividend, rental, or lease payments. The term does not include fixed assets used in governmental operations.

LEASE/PURCHASE
A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LED
LED is an acronym for **Light Emitting Diode**. (See also *LIGHT EMITTING DIODE*.)

LETTER OF TRANSMITTAL
A cover letter from the City's Director of Finance that accompanies the annual comprehensive financial report.

LEVY
To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES
Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed, or refunded at some future date.

LIGHT EMITTING DIODE
A two-lead semiconductor light source. Light emitting diodes (LEDs) emit light through the process of electroluminescence when suitable voltage is applied. LEDs have many advantages over traditional incandescent light sources including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching. LEDs are now used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, street lighting, and camera flashes.

LOCAL GOVERNMENT INVESTMENT POOL
A local government investment pool (LGIP), is a state or local government pool offered to public entities for the investment of public funds. These pools are important investments tools, offering safety with a competitive yield.

LONG-TERM DEBT
Debt with a maturity of more than one year.

LONG-TERM LIABILITIES
Long-term liabilities are financial obligations of a company that become due more than one year.

LINE ITEM BUDGET
A budget format in which departmental outlays are grouped according to the items that will be purchased with one item or group of items on each line.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
The portion of the City's Comprehensive Annual Report in which management addresses the company's performance over the previous twelve months.

MAYOR
The elected head of the City.

MODIFIED ACCRUAL
City of North Richland Hills's governmental funds are budgeted using the modified accrual basis, with revenues recognized when they become measurable. Revenue is "measurable" when the amount of the transaction can be reasonably determined. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred and is expected to be liquidated within 60 days.

MUNICIPAL FACILITIES
City owned structures, mechanicals, and building systems

NET PENSION LIABILITY
The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries

NET POSITION
Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

NON-BUDGETED FUNDS
Funds for which an annual budget are not legally adopted, as opposed to budgeted funds for which annual budgets are legally adopted. Budgeted funds are typically supported by tax revenues, charges for services, fees, fines, and/or penalties, while non-budgeted funds are typically supported by transfers from other funds, grant revenue, donations, or regulated fees such as municipal court fees. The resources supporting non-budgeted funds are typically either transfers that were budged as expenditures at a budgeted fund or revenues that are restricted by third parties such as grant revenue, donations, or regulated fees.

NON-RECURRING REVENUE
One-time windfall revenue that is budgeted only for one fiscal year.

OPEB
OPEB is an acronym for Other Post-Employment Benefits. (See also *OTHER POSTEMPLOYMENT BENEFITS*.)

OPERATING BUDGET
Plans of current expenditures and the proposed means of financing them.

OPERATING REVENUE
Operating revenue is revenue generated from the City's business activities.

ORDINANCE
A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the City.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)
Other postemployment benefits (or OPEB) is a term used in the United States to describe the benefits that an employee begins to receive at the start of their retirement. These benefits do not include the pension paid to the retired employee.

OVERLAPPING DEBT
Overlapping debt refers to the financial obligations of one political jurisdiction that also falls partly on a nearby jurisdiction. Overlapping debt is common in most states because states are divided into numerous jurisdictions for different tax purposes, such as building a new public school and building a new road.

PENSION
A regular payment made during a person's retirement from an investment fund to which that person or their employer has contributed during their working life.

PLANNING AND ZONING COMMISSION
An appointed seven-member board that makes recommendations to City Council regarding the physical development of the City, including the Comprehensive Plan that serves as the basis for the City's zoning regulations. It also reviews and approves applications for subdivision plats and replats.

PROJECTION
A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances.

PROPERTY TAX
An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPERTY TAX RATE
The rate applied to the taxable value of property to determine the property taxes due. The City's property tax rate has two components, the **general tax rate** which generates property tax revenues used to fund operations and the **debt tax rate** which generates property tax revenues used to fund the repayment of debt. Property tax rates are commonly presented as the amount of tax levied for each $100 of assessed valuation.

PROPRIETARY FUNDS
Funds generally used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: enterprise funds (used to account for any activity for which a fee is charged to external users for goods or services); and internal service funds (used to account for the provision of goods or services by one department to other departments of a governmental unit). (See *ENTERPRISE FUND*.)

PUBLIC HEARING
A public hearing may be a formal meeting for receiving testimony from the public at large on a local issue, or proposed government action. Testimony from both sides of an issue is usually recorded for public record, and a report summarizing the key points is generated.

RATINGS
Designations used by credit rating agencies to give relative indications of credit quality.

REFERENDUM
The principle or practice of referring measures proposed or passed by a legislative body, head of state, etc., to the vote of the electorate for approval or rejection (plural referenda).

REFUNDING BONDS
Bonds issued to retire bonds already outstanding.

REPORT OF INDEPENDENT AUDITORS
The report of independent auditors, published in the comprehensive annual financial report, opines on whether the City's basic financial statements comply with generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION
Required supplementary information (RSI) is information that a designated accounting standard-setter (e.g., FASB, GASB) requires to accompany the basic financial statements.

RESERVE
An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RESOLUTION
A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

RESTRICTED NET POSITION
The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

RESTRICTED RESOURCES
Restricted resources refer to a reserve of money that can only be used for specific projects or purposes.

UNRESTRICTED RESOURCES
Unrestricted resources refer to a reserve of money that can be used as the City sees fit.

REVENUE
Revenue is (1) an increase in a governmental fund's net current assets from other than expenditure refunds and residual equity or (2) an increase in a proprietary fund's net total assets from other than expense refunds, capital contributions, and residual equity transfers.

ROLLBACK RATE
The highest tax rate an entity may adopt without being subject to a rollback election.

SCADA
SCADA is an acronym for **Supervisory Control and Data Acquisition**. (See also *SUPERVISORY CONTROL AND DATA ACQUISITION*.)

SDBF
SDBF is an acronym for **Supplemental Death Benefits Fund**. (See also *SUPPLEMENTAL DEATH BENEFITS FUND*.)

SERVICE PLANS
Each department within the City has a three-year plan, outlining their strategic priorities for the City.

SPECIAL REVENUE FUND
A Fund used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

STEWARDSHIP
The job of supervising or taking care of something, such as an organization or property.

STRUCTURAL BALANCE
The state at which current revenue sufficiently supports current expenditures.

SUPERVISORY CONTROL AND DATA ACQUISITION
An industrial computer system that monitors and controls a process. Supervisory control and data acquisition systems (also known as SCADA systems) are used to monitor and control a plant or equipment in industries such as telecommunications, water and waste control, energy, oil and gas refining and transportation. A SCADA system gathers information, such as where a leak on a pipeline has occurred and transfers the information back to a central site. SCADA systems frequently are used to manage processing systems that include geographically disbursed components.

SUPPLEMENTAL DEATH BENEFITS FUND (SDBF)
A cost sharing multiple-employer defined benefit group-term life insurance plan operating by the Texas Municipal Retirement System.

TAX LEVY
The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX RATE
The amount of tax levied for each $100 of assessed valuation.

TAXABLE VALUE
A valuation to which the property tax rate is applied to calculate property taxes. The Taxable value of property is generally equal to the assessed valuation less any qualifying exemptions (such as a homestead exemption).

TAXES
Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments, or charges for services rendered, such as sewer service.

TBD
TBD is an acronym for **To Be Determined**.

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
TMRS is a statewide retirement system that provides retirement, disability, and death benefits for employees of participating Texas cities.

TMRS
An acronym for **Texas Municipal Retirement System**. (See also *TEXAS MUNICIPAL RETIREMENT SYSTEM.)*

TORT
A wrongful act or an infringement of a right (other than under contract) leading to civil legal liability.

TRANSFERS
Authorized exchanges of cash or other resources between funds.

UNASSIGNED FUND BALANCE
In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

UNRESTRICTED NET POSITION
The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

YIELD
The rate earned on an investment based on the price paid for the investment, the interest earned during the period held, and the selling price or redemption value of the investment.

NRH